

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

**CONVENIENCE TRANSLATION INTO
ENGLISH OF CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY – 30 SEPTEMBER 2023**

(ORIGINALLY ISSUED IN TURKISH)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2023 AND 31 DECEMBER 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

ASSETS	Notes	30 September 2023	31 December 2022
Current Assets			
Cash and cash equivalents	5	31,321,279	25,244,811
Financial investments	6	9,462,082	3,827,944
Trade receivables	8,28	26,157,402	19,840,432
– Due from related parties	28	105,961	63,234
– Other trade receivables	8	26,051,441	19,777,198
Other receivables		1,904,355	451,699
– Due from related parties	28	352,346	-
– Other trade receivables		1,552,009	451,699
Contract assets	12	145,159	107,737
Derivative financial assets	9	414,965	914,267
Inventories	10	25,838,608	19,251,800
Prepayments	11	2,271,431	1,884,991
Current tax assets		74,219	56,976
Other current assets		1,942,256	2,029,331
Total current assets		99,531,756	73,609,988
Non-current assets			
Financial investments	6	936,987	801,221
Other receivables		24,555	101,687
Derivative financial assets	9	1,806,612	1,185,630
Investments accounted for using the equity method	13	3,080,712	1,891,365
Investment properties		5,151,242	5,151,242
Property, plant, and equipment	14	72,500,569	54,565,655
Right of use assets	15	2,291,992	996,641
Intangible assets	16, 17	31,635,067	21,742,972
– Goodwill	17	1,414,747	812,391
– Other intangible assets	16	30,220,320	20,930,581
Prepayments	11	3,686,540	2,332,642
Deferred tax assets	26	1,779,398	1,563,776
Other non-current assets		14,264	2,654
Total non-current assets		122,907,938	90,335,485
TOTAL ASSETS		222,439,694	163,945,473

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2023 AND 31 DECEMBER 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated)

LIABILITIES	Notes	30 September 2023	31 December 2022
Current Liabilities			
Short term borrowings	7	28,827,004	14,281,212
Short term portion of long-term borrowings	7	5,670,048	4,306,640
Trade payables	8, 28	12,694,370	11,331,067
– Due to related parties	28	423,351	216,363
– Due to third parties	8	12,271,019	11,114,704
Liabilities for employee benefits	19	739,543	553,155
Other payables		946,300	653,978
– Due to related parties		49,126	48,596
– Due to third parties		897,174	605,382
Contract liabilities	12	273,482	222,857
Derivative instruments	9	682,829	291,587
Deferred income	11	1,268,048	1,335,339
Current income tax liabilities	26	485,311	82,697
Short term provisions	18, 19	2,129,248	1,138,326
Other current liabilities		2,496,640	1,326,997
Total current liabilities		56,212,823	35,523,855
Non-current liabilities			
Long term borrowings	7	42,530,438	28,324,384
Other payables		3,719	5,114
Derivative instruments	9	209,452	9,495
Deferred income	11	297,163	266,427
Long term provisions	19	4,362,668	3,710,712
Deferred tax liabilities	26	1,487,978	833,524
Other non-current liabilities		282,441	144,195
Total non-current liabilities		49,173,859	33,293,851
Total liabilities		105,386,682	68,817,706
EQUITY			
Equity holders of the parent			
		20	93,967,108
			76,527,911
Paid capital		3,063,214	3,063,214
Adjustment to share capital differences		320,075	320,075
Treasury shares		(46,379)	(51,749)
Share premiums (discount)		167,048	167,048
Accumulated other comprehensive income/expense not to be reclassified to profit or loss		15,629,167	15,739,761
– Gains/(losses) on revaluation and remeasurement		15,629,167	15,739,761
– Revaluation gain/(loss) on tangible assets		15,614,036	15,797,595
– Gain/(loss) arising from defined benefit plans		15,131	(57,834)
Accumulated other comprehensive income/expense to be reclassified to profit or loss		24,333,946	17,502,288
– Currency translation differences		30,477,109	17,202,279
– Hedge reserves		(6,143,163)	300,009
– Gains (Losses) on Cash Flow Hedges		(343,840)	300,009
– Gains (Losses) on Hedges of Net Investment in Foreign Operations		(5,799,323)	-
Restricted reserves		1,135,832	1,135,832
Retained earnings		36,004,259	19,306,383
Net profit or loss for the period		13,359,946	19,345,059
Non-controlling interests	20	23,085,904	18,599,856
Total equity		117,053,012	95,127,767
TOTAL LIABILITIES AND EQUITY		222,439,694	163,945,473

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE PERIODS 1 JANUARY – 30 SEPTEMBER 2023 AND 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

			Restated		Restated
		1 January- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2023	1 July- 30 September 2022
	Notes				
Revenues	21	94,840,349	66,279,449	36,406,317	26,046,972
Cost of Sales	21	(62,450,828)	(41,322,163)	(23,339,312)	(16,377,367)
Gross profit/ (loss) from trading activity		32,389,521	24,957,286	13,067,005	9,669,605
General administrative expenses	22	(5,603,962)	(3,266,096)	(2,140,274)	(1,372,518)
Marketing expenses	22	(12,855,147)	(9,420,895)	(5,146,679)	(3,928,210)
Research and development expenses	22	(257,365)	(158,706)	(99,017)	(71,338)
Other operating income	23	9,282,503	4,070,134	2,480,833	731,218
Other operating expenses	23	(7,264,487)	(2,642,181)	(2,450,681)	(5,608)
Share of profit (loss) from investments accounted for using equity method	13	701,203	158,067	280,371	(234,191)
Operating profit/ (loss)		16,392,266	13,697,609	5,991,558	4,788,958
Income from investing activities	24	2,569,031	1,621,675	1,021,720	355,925
Expense from investing activities	24	(386,017)	(488,659)	(262,773)	3,250
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	24	29,034	(57,078)	4,014	(40,429)
Profit (Loss) before financing income (expense)		18,604,314	14,773,547	6,754,519	5,107,704
Financial income	25	10,753,590	9,524,821	3,292,623	3,424,459
Financial expenses	25	(11,554,482)	(9,612,095)	(3,786,719)	(3,222,362)
Profit (Loss) from continuing operations, before tax		17,803,422	14,686,273	6,260,423	5,309,801
Tax (expense) income, continuing operations		(3,058,681)	(495,196)	(597,113)	(359,452)
– Current period tax (expense) / income	26	(1,646,374)	(1,713,305)	(440,641)	(516,736)
– Deferred tax (expense) income	26	(1,412,307)	1,218,109	(156,472)	157,284
Profit (Loss)		14,744,741	14,191,077	5,663,310	4,950,349
Attributable to:					
– Non-controlling interest		1,384,795	541,156	372,162	208,003
– Equity holders of the parent		13,359,946	13,649,921	5,291,148	4,742,346
Earnings per share	27	4,6067	4,5839	2,0514	1,6879

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE PERIODS OF 1 JANUARY – 30 SEPTEMBER 2023 AND 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

Notes	1 January- 30 September 2023	Restated 1 January- 30 September 2022	1 July- 30 September 2023	Restated 1 July- 30 September 2022
Profit / (loss) for the Period	14,744,741	14,191,077	5,663,310	4,950,349
Other Comprehensive Income:				
Items that will not be reclassified to profit or loss	(62,031)	1,487,304	(1,102,602)	503,450
Gains (Losses) on revaluation of property, plant and equipment	1,068,610	1,233,578	(56,837)	117,419
Gain / (loss) arising from defined benefit plans	99,556	446,228	17,800	406,720
Share of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss	6,838	2,295	659	578
Taxes on items that will not be reclassified to profit or loss	(1,237,035)	(194,797)	(1,064,224)	(21,267)
Items that will be reclassified to profit or loss	13,630,166	12,517,742	1,599,336	2,688,451
Currency translation differences	20,743,778	12,574,397	2,278,037	2,932,895
Other comprehensive income (loss) related with cash flow hedges	(1,481,958)	(73,441)	(52,538)	(305,147)
Other comprehensive income (loss) related with Hedged of net investments in foreign operation	(7,732,431)	-	(1,319,886)	-
Taxes on items that will be reclassified to profit or loss	2,100,777	16,786	693,723	60,703
Other comprehensive income/ (loss)	13,568,135	14,005,046	496,734	3,191,901
Total Comprehensive Income/ (loss)	28,312,876	28,196,123	6,160,044	8,142,250
Attributable to:				
- Non-controlling interest	8,225,400	6,013,329	1,549,775	2,315,239
- Equity holders of parent	20,087,476	22,182,794	4,610,269	5,827,011
Earnings per share	27	6,9264	7,4495	1,7874
			1,7874	2,0739

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY – 30 SEPTEMBER 2023 AND 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

	Issued Capital	Inflation Adjustments on Capital	Treasury Shares	Share Premiums or Discounts	Other Comprehensive Income will not be reclassified to profit or loss	Other Comprehensive Income will be reclassified to profit or loss	Restricted Reserves	Previous Years Profits or Losses	Net Profit or loss	Attributable to Equity holders of the parent	Non Controlling Interests	Equity
Balance at 1 January 2022	3,063,214	320,075	(39,213)	167,048	6,139,201	9,213,439	1,517,852	10,379,285	9,040,197	39,801,098	13,128,127	52,929,225
Transfer	-	-	-	-	-	-	(382,020)	9,422,217	(9,040,197)	-	-	-
Total comprehensive income / (loss)	-	-	-	-	1,251,704	7,280,513	-	656	13,649,921	22,182,794	6,013,329	28,196,123
Capital Increase	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Dividends paid	-	-	-	-	-	-	-	(1,216,875)	-	(1,216,875)	(1,052,821)	(2,269,696)
Increase (decrease) through treasury share transactions	-	-	(62,536)	-	-	-	-	(1,130,249)	-	(1,192,785)	-	(1,192,785)
Balance at 30 September 2022	3,063,214	320,075	(101,749)	167,048	7,390,905	16,493,952	1,135,832	17,455,034	13,649,921	59,574,232	18,088,634	77,662,866

	Issued Capital	Inflation Adjustments on Capital	Treasury Shares	Share Premiums or Discounts	Other Comprehensive Income will not be reclassified to profit or loss	Other Comprehensive Income will be reclassified to profit or loss	Restricted Reserves	Previous Years Profits or Losses	Net Profit or loss	Attributable to Equity holders of the parent	Non Controlling Interests	Equity
Balance at 1 January 2023	3,063,214	320,075	(51,749)	167,048	15,739,761	17,502,288	1,135,832	19,306,383	19,345,059	76,527,911	18,599,856	95,127,767
Transfer	-	-	-	-	-	-	-	19,345,059	(19,345,059)	-	-	-
Total comprehensive income / (loss)-	-	-	-	-	(111,656)	6,839,186	-	-	13,359,946	20,087,476	8,225,400	28,312,876
Dividends paid	-	-	-	-	-	-	-	(2,071,007)	-	(2,071,007)	(1,621,514)	(3,692,521)
Increase (decrease) through treasury share transactions	-	-	5,370	-	-	-	-	62,760	-	68,130	-	68,130
Transaction with non-controlling shareholders	-	-	-	-	1,062	(7,528)	-	(638,936)	-	(645,402)	(2,117,838)	(2,763,240)
Balance at 30 September 2023	3,063,214	320,075	(46,379)	167,048	15,629,167	24,333,946	1,135,832	36,004,259	13,359,946	93,967,108	23,085,904	117,053,012

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS 1 JANUARY – 30 SEPTEMBER 2023 AND 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

		1 January- 30 September 2023	Restated 1 January- 30 September 2022
	Notes		
A. CASH FLOWS FROM OPERATING ACTIVITIES		18,513,560	7,877,843
Net profit/(loss) for the period		14,744,741	14,191,077
Adjustments to reconcile profit/ (loss)		11,795,391	6,310,898
- Adjustments for depreciation and amortisation expense	14,15,16	4,685,875	3,609,272
- Adjustments for Impairment Loss (Reversal of Impairment Loss)	5,6,8,10	(51,859)	74,979
- Adjustments for provisions	18,19	1,859,833	1,013,455
- Adjustments for bargain purchase gain	24	-	(62,516)
- Adjustments for Interest (Income) Expenses		2,669,249	712,769
- Adjustments for unrealised foreign exchange losses (gains)	23,25	2,909,964	2,377,937
- Adjustments for fair value losses (gains)	6,24	(2,509,767)	(1,714,939)
- Adjustments for Undistributed Profits of Investments accounted for Using Equity Method	13	(701,203)	(158,067)
- Adjustments for Tax (Income) Expenses	26	3,058,681	503,717
- Adjustments for losses (gains) on disposal of non-current assets	24	(257)	10,370
- Other adjustments to reconcile profit (loss)		(125,125)	(56,079)
Changes in working capital		(6,654,523)	(11,014,238)
- (Increases)/decreases in trade receivables adjustments		3,778,624	(6,957,862)
- (Increases)/decreases in other receivables adjustments		(1,160,582)	(349,139)
- (Increases)/decreases in contract assets adjustments		(37,422)	(72,085)
- (Increases)/decreases in derivative financial assets		62,839	1,591,322
- (Increases)/decreases in inventories adjustments		(6,562,374)	(8,157,502)
- (Increases)/decreases in trade payables adjustments		(4,374,075)	2,054,828
- (Increases)/decreases in contract liabilities adjustments		50,625	26,457
- (Increases)/decreases in other payables adjustments		410,592	1,266,618
- Other (increases)/decreases in net working capital adjustments		1,177,250	(416,875)
Cash flows from operating activities		19,885,609	9,487,737
- Interest received		601,090	320,298
- Payments for the provisions for employee benefits	19	(561,683)	(77,220)
- Taxes received / (paid)		(1,411,456)	(1,852,972)

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS 1 JANUARY – 30 SEPTEMBER 2023 AND 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	1 January- 30 September 2023	Restated 1 January- 30 September 2022
B. CASH FLOWS FROM INVESTING ACTIVITIES		(18,120,607)	(6,876,482)
- Cash Flows Used in Obtaining Control of Subsidiaries or Other Businesses	3	-	(299,799)
- Cash outflows from additional share purchases in subsidiaries		(2,763,240)	-
- Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures	3	(238,375)	(16,603)
- Cash Receipts from Sales of Equity or Debt Instruments of Other Entities	6	1,866,426	2,602,451
- Cash Payments to Acquire Equity or Debt Instruments of Other Entities	6	(479,986)	(2,633,608)
- Proceeds from sales of tangible and intangible assets		793,680	517,523
- Purchase of tangible and intangible assets	14,15	(11,857,821)	(5,094,439)
- Advances given	11	(3,195,595)	(2,814,007)
- Repayments of advances given	11	2,216,361	1,389,120
- Dividend received		-	116,017
- Interest received		403,011	561,322
- Cash Outflows From Participation (Profit) Shares or Other Financial Instruments		(5,224,766)	(1,700,929)
- Other inflows (outflows) of cash		359,698	496,470
C. CASH FLOWS FROM FINANCING ACTIVITIES		3,364,463	(751,530)
- Payments to Acquire Entity's Shares or Other Equity Instruments		(526,870)	(1,192,785)
- Cash Receipts to Acquire Entity's Shares or Other Equity Instruments		595,000	-
- Proceeds from borrowings	7	33,933,709	19,164,244
- Payments of borrowings	7	(22,255,873)	(14,184,137)
- Payments of lease liabilities	7	(510,119)	(259,683)
- Dividends paid		(3,692,521)	(2,269,696)
- Interest paid		(4,178,863)	(2,009,473)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES (A+B+C)		3,757,416	249,831
D. EFFECT OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		2,343,665	3,858,503
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		6,101,081	4,108,334
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	25,240,755	12,819,239
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	5	31,341,836	16,927,573

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. In Group's Organization and Nature of Operations

Türkiye Şişe ve Cam Fabrikaları A.Ş. Group (the "Group") consists of a holding company, Türkiye Şişe ve Cam Fabrikaları A.Ş. (the "Company"), 57 subsidiaries, 1 joint venture 2 associates and 2 joint activity.

The Group consists of six operating segments including companies operating in architectural glass, industrial glass (automotive, white goods glasses, glass fiber) , glass packaging, glassware, chemicals ,energy and others (import, export, packaging waste recovery and non-hazardous waste recovery, production and sale of cast AZS refractory block for glass production, holding activities and insurance brokerage services), The Group's main area of activity is glass production, and it deals with complementary industrial and commercial operations for glass production, Additionally, the Group participates in management of various industrial and commercial companies.

The Group was established 87 years ago by Türkiye İş Bankası A.Ş. ("İş Bankası") in Turkey, being one of the largest Turkish private commercial banks, as of Türkiye Şişe ve Cam Fabrikaları A.Ş. Sobyetesi was founded with the title and registered with the trade registry on January 23, 1936, And the establishment was announced in the trade registry gazette on February 5, 1936. Company's title has been registered as of Türkiye Şişe ve Cam Fabrikaları A.Ş. on April 25, 1973 and published in the trade registry gazette on May 10, 1973. The shares of the Company have been publicly traded on the Borsa İstanbul A.Ş. ("BIST"), formerly named as Istanbul Stock Exchange ("ISE"), since January 3, 1986, As of September 30 2023. İş Bankası holds 51,06% of the shares and retains the control of the Group.

The Head Office and the Shareholder Structure of the Company

The shareholder structure of the Company is disclosed in Note 20.

The Company is registered in Turkey and the address is İçmeler Mahallesi D-100 Karayolu Cad, No:44 A 34947, Tuzla / İstanbul / Türkiye

Personnel structure of the Group

	30 September 2023	31 December 2022	30 September 2022
Personnel (monthly paid)	9,477	8,859	8,617
Personnel (hourly paid)	15,722	16,072	15,847
	25,199	24,931	24,464

984 employees included in the Group's total personnel structure is consisted of the personnel of joint ventures accounted under equity method (31 December 2022: 962 employees, 30 September 2022: 977 employees),

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation

The nature of operations of the companies/branches included in consolidation is presented as follows:

Architectural Glass Group

Subsidiaries/Branches	Nature of business	Country of registration
Türkiye Şişe ve Cam Fabrikaları A.Ş.- Şişecam Flat Glass Group Branches (1)	Production and sales of flat glass, auto glass and processed glass	Turkey
TRSG Glass Holding B.V	Finance and investment company	Netherlands
Trakya Glass Bulgaria EAD	Production and sales of flat glass, laminated, coated glass, and mirror	Bulgaria
Sisecam Flat Glass Italy S.R.L	Production and sales of flat and laminated glass	Italy
Sisecam Flat Glass South Italy S.R.L	Production and sales of flat and laminated glass	Italy
Trakya Glass Rus AO	Production and sales of flat glass and mirror	Russia
Trakya Glass Rus Trading OOO	Importing and sales services	Russia
Sisecam Flat Glass India Private Limited	Production and sales of flat glass and mirror	India

Associate	Nature of business	Country of registration
Saint Gobain Glass Egypt S.A.E	Production and sales of flat glass	Egypt

Industrial Glasses Group

Subsidiaries	Nature of business	Country of registration
Şişecam Otomotiv A.Ş.	Production and sales of automotive glass	Turkey
Trakya Investment B.V.	Finance and investment company	Netherlands
Sisecam Automotive Bulgaria EAD	Production and sales of automotive glass and white goods glasses	Bulgaria
Sisecam Automotive Romania SA	Production and sales of automotive glass	Romania
Sisecam Automotive Rus JSC	Production and sales of automotive glass	Russia
Sisecam Automotive Rus Trading LLC	Importing and sales services	Russia
Sisecam Automotive Germany GmbH	Commercial activity	Germany
Richard Fritz Prototype+Spare Parts GmbH	Glass encapsulation production and sales services	Germany
Sisecam Automotive Slovakia S.R.O.	Glass encapsulation production and sales services	Slovakia
Sisecam Automotive Hungary Kft	Glass encapsulation production and sales services	Hungary
Şişecam Elyaf Sanayii A.Ş.	Production and sales of glass fiber	Turkey

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

Glassware Group

<u>Subsidiaries/Branches</u>	<u>Nature of business</u>	<u>Country of registration</u>
Türkiye Şişe ve Cam Fabrikaları A.Ş.- Şişecam Glassware Group Branches (1)	Automatic production and sales of glassware	Turkey
Paşabahçe Mağazaları A.Ş.	Retail sales of glassware	Turkey
Pasabahçe Bulgaria EAD	Automatic production and sales of glassware	Bulgaria
OOO Posuda	Automatic production and sales of glassware	Russia
Pasabahçe SRL	Sales and marketing services	Italy
Pasabahçe Spain SL	Sales and marketing services	Spain
Pasabahçe Glass GmbH	Sales and marketing services	Germany
Pasabahçe USA Inc,	Sales and marketing services	USA
Pasabahçe (Shanghai) Trading Co, Ltd,	Sales and marketing services	China
Pasabahçe Egypt Glass Manufacturing S.A.E	Automatic production and sales of glassware	Egypt

Glass Packaging Group

<u>Subsidiaries/Branches</u>	<u>Nature of business</u>	<u>Country of registration</u>
Türkiye Şişe ve Cam Fabrikaları A.Ş.- Şişecam Glass Packaging Group Branches (1)	Production and sales of glass packaging	Turkey
OOO Ruscam Management Company	Finance and investment company	Russia
OOO Ruscam Glass Packaging Holding	Production and sales of glass packaging	Russia
OOO Energosystems	Leasing of industrial materials	Russia
CJSC Brewery Pivdena	Production and sales of glass packaging	Ukraine
Merefa Glass Company Ltd.	Production and sales of glass packaging	Ukraine
JSC Mina	Production and sales of glass packaging	Georgia
Sisecam Glasspackaging Hungary Kft.	Production of all kinds of glass and glass products' processing and shaping	Hungary

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

Chemicals Group

Subsidiaries/Branches	Nature of business	Country of registration
Türkiye Şişe ve Cam Fabrikaları A.Ş.- Şişecam Chemicals Group Branches (1)	Production and sales of soda and chromium chemicals	Turkey
Sisecam Bulgaria EOOD	Soda goods trade	Bulgaria
Sisecam Soda Lukavac D.O.O.	Production and sales of soda	Bosnia-Herzegovina
Cromital S.p.A.	Production and sales of chromium sub products	Italy
Sisecam Trading Co.	Commercial activity	China
Sisecam Chemicals USA Inc.	Finance, investment and sales company	USA
Sisecam Chemicals Resources LLC	Production and sales of soda	USA
Sisecam Chemicals Wyoming LLC	Production and sales of natural soda	USA
Sisecam Resources LP	Natural soda goods trade	USA
Sisecam Chemicals Newco 2 LLC (*)	Finance and investment company	USA
Sisecam Resources General Partners LLC	Natural soda goods trade	USA
Sisecam Wyoming LLC	Production and sales of natural soda	USA

Joint Activities	Nature of business	Country of registration
Pacific Soda LLC	Soda goods trade	USA
Stockton Soda Ash Port LLC (**)	Logistics(***)	USA

Associate	Nature of business	Country of registration
Solvay Sisecam Holding AG	Finance and investment company	Austria

(*) It was established on 19 May 2023, As of 30 September 2023, the company has not any activity.

(**) Denmar US LLC, 100% owned by Denmar Holdings LLC, has become a shareholder through the capital increase method by Şişecam Chemicals USA. Company's name has been changed to Stockton Soda Ash Port LLC as of August 29, 2023.

(***) Stockton Soda Ash Port LLC is logistics company that will operate for the export of natural soda ash investment in the USA.

Energy Group

Subsidiaries	Nature of business	Country of Registration
Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Energy Group Branch (1)	Electricity and steam generation	Turkey
Şişecam Enerji A.Ş.	Storage and sales of natural gas and electricity Trade	Turkey
Camiş Elektrik Üretim A.Ş.	Production and sales of electricity	Turkey

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

Other Group

a) Recycling Group

Subsidiaries	Nature of business	Country of Registration
Şişecam Çevre Sistemleri A.Ş.	Collection, sorting, processing, recycling and recovery of glass	Turkey

b) Mining Group

Subsidiaries	Nature of business	Country of registration
Camış Madencilik A.Ş.	Production and sales of raw materials in glass	Turkey
Camis Egypt Mining Ltd. Co.	Sand mining and sales	Egypt

Joint ventures	Nature of business	Country of registration
Rudnik Krencjaka Vijenac D.O.O.	Production and sales of lime stone	Bosnia-Herzegovina

c) Other Services Group

Subsidiaries	Nature of business	Country of Registration
Şişecam Sigorta Aracılık Hizmetleri A.Ş.	Insurance agency	Turkey
Şişecam Dış Ticaret A.Ş.	Exportation of group products	Turkey
SC Glass Trading B.V.	Import, sales, finance and investment company	Netherlands
Sisecam Investment B.V.	Import, sales, financing and investment company	Netherlands
Camış Ambalaj Sanayii A.Ş.	Production and sales of paper packaging	Turkey
Oxyvit Kimya Sanayii ve Tic. A.Ş.	Vitamin K-3 and derivatives manufacturer	Turkey
Refel S.p.A.	Production and sale of cast AZS refractory Block for glass production	Italy

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

(1) Branches of activity groups are as follows:

Branch Title

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Flat Glass Group Branches

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Flat Glass Kırklareli Plant Branch
Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Flat Glass Mersin Plant Branch
Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Flat Glass Kocaeli Processed Glass Plant Branch
Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Flat Glass Bursa Plant Branch
Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Flat Glass Ankara Plant Branch
Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Düzcamlar Tarsus Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Group Branches

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Eskişehir Plant Branch
Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Group Kırklareli Plant Branch
Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Denizli Plant Branch
Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Mersin Warehouse Branch
Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Machine Maintenance Business Istanbul Branch
Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Ankara Regional Directorate Branch
Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware İzmir Regional Directorate Branch
Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Adana Regional Directorate Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glass Packaging Group Branches

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Cam Ambalaj Mersin Plant Branch
Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Cam Ambalaj Eskişehir Plant Branch
Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glass Packaging Yenişehir Plant Branch
Türkiye Şişe ve Cam Fabrikaları A.Ş. Mersin Warehouse Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Chemicals Group Branches

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Chemicals Mersin Soda Plant Branch
Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Chemicals Mersin Kromsan Plant Branch
Türkiye Şişe ve Cam Fabrikaları A.Ş. Chemical Salt Business Branch
Türkiye Şişe ve Cam Fabrikaları A.Ş. Leather Application Laboratory Branch
Türkiye Şişe ve Cam Fabrikaları A.Ş. Karadiken Kalker Business Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Energy Group Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Chemicals Cogeneration Plant Branch

The Group's publicly traded company, Türkiye Şişe ve Cam Fabrikaları A.Ş.'s share information are as follows:

Share Information	BIST Code	Reuters code	Bloomberg code
Türkiye Şişe ve Cam Fabrikaları A.Ş.	SISE	SISE.IS	SISE.TI

Traded on the New York Stock Exchange with the code "SIRE", the acquisition of publicly held shares of Sisecam Resources LP by Sisecam Chemicals Wyoming LLC, at a price of 25 US dollars per unit in cash, was completed on May 26, 2023.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

Periodic Revision Report on Corporate Governance Rating has been completed by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. ("SAHA"), which is officially authorised to carry out rating processes in Turkey in line with Capital Markets Board Corporate Governance Principles, The Corporate Governance Rating Score of 96,01 (9,60 out of 10) as of 16 December 2022, Following the continuous improvement efforts made in the area of application of corporate governance principles, In its rating work SAHA used the new methodology based on Corporate Governance Principles published by the CMB in January 2014.

Main Sections	Weight	16 December 2022	16 December 2021
Shareholders	%25	95.49	95.49
Public disclosure and transparency	%25	97.51	97.48
Stakeholders	%15	99.48	99.48
Board of directors	%35	93.82	92.42
Average Rating	%100	96.01	95.51

The following are the direct and effective shareholder share rates within the capital of the companies that are included in the consolidation of the Group:

Architectural Glass Group

a) Subsidiaries of Architectural Glass Group

Company/Branch Name	30 September 2023		31 December 2022	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership rate (%)	Effective ownership rate (%)
Türkiye Şişe ve Cam Fabrikaları A.Ş.-				
Şişecam Flat Glass Group Branches	100.00	100.00	100.00	100.00
TRSG Glass Holding B.V.	70.00	70.00	70.00	70.00
Trakya Glass Bulgaria EAD	100.00	100.00	100.00	100.00
Sisecam Flat Glass İtaly S.R.L	100.00	100.00	100.00	100.00
Sisecam Flat Glass South Italy S.R.L	100.00	100.00	100.00	100.00
Trakya Glass Rus AO	100.00	70.00	100.00	70.00
Trakya Glass Rus Trading OOO	100.00	70.00	100.00	70.00
Sisecam Flat Glass India Private Limited	100.00	100.00	100.00	100.00

b) Associate of Architectural Glass Group

Company's Name	30 September 2023		31 December 2022	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership rate (%)	Effective ownership rate (%)
Saint Gobain Glass Egypt S.A.E.	30.00	30.00	30.00	30.00

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

Subsidiaries of Industrial Glass Group

Company/Branch Name	30 September 2023		31 December 2022	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Şişecam Otomotiv A.Ş.	100.00	100.00	100.00	100.00
Trakya Investment B.V.	100.00	100.00	100.00	100.00
Sisecam Automotive Bulgaria EAD	100.00	100.00	100.00	100.00
Sisecam Automotive Romania SA	100.00	100.00	100.00	100.00
Sisecam Automotive Rus JSC	100.00	100.00	100.00	100.00
Sisecam Automotive Rus Trading LLC	100.00	100.00	100.00	100.00
Sisecam Automotive Germany GmbH	100.00	100.00	100.00	100.00
Richard Fritz Prototype+Spare Parts GmbH	100.00	100.00	100.00	100.00
Sisecam Automotive Slovakia S.R.O.	100.00	100.00	100.00	100.00
Sisecam Automotive Hungary Kft	100.00	100.00	100.00	100.00
Şişecam Elyaf Sanayii A.Ş.	99.999	99.999	99.999	99.999

Subsidiaries of Glassware Group

Company/Branch Name	30 September 2023		31 December 2022	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Türkiye Şişe ve Cam Fabrikaları A.Ş.-				
Şişecam Glassware Group Branches	100.00	100.00	100.00	100.00
Paşabahçe Mağazaları A.Ş.	100.00	100.00	100.00	100.00
Paşabahçe Bulgaria EAD	100.00	100.00	100.00	100.00
OOO Posuda	100.00	100.00	100.00	100.00
Paşabahçe SRL	100.00	100.00	100.00	100.00
Paşabahçe Spain SL	100.00	100.00	100.00	100.00
Paşabahçe Glass GmbH	100.00	100.00	100.00	100.00
Paşabahçe USA Inc.	100.00	100.00	100.00	100.00
Paşabahçe (Shanghai) Trading Co. Ltd.	100.00	100.00	100.00	100.00
Paşabahçe Egypt Glass Manufacturing S.A.E.	100.00	100.00	100.00	100.00

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

Subsidiaries of Glass Packaging Group

Company's/Branch Name	30 September 2023		31 December 2022	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Türkiye Şişe ve Cam Fabrikaları A.Ş.-				
Şişecam Glass Packaging Group Branches	100.00	100.00	100.00	100.00
OOO Ruscam Management Company	100.00	100.00	100.00	100.00
OOO Ruscam Glass Packaging Holding	100.00	100.00	100.00	100.00
OOO Energosystems	100.00	100.00	100.00	100.00
CJSC Brewery Pivdenna	100.00	100.00	100.00	100.00
Merefa Glass Company Ltd.	100.00	100.00	100.00	100.00
JSC Mina	100.00	100.00	100.00	100.00
Sisecam Glasspackaging Hungary Kft.	100.00	100.00	100.00	100.00

Chemicals Group

a) Subsidiaries of Chemicals Group

Company/Branch Name	30 September 2023		31 December 2022	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Türkiye Şişe ve Cam Fabrikaları A.Ş.-				
Şişecam Kimyasallar Grubu Şubeleri	100.00	100.00	100.00	100.00
Sisecam Bulgaria EOOD	100.00	100.00	100.00	100.00
Sisecam Soda Lukavac D.O.O.	100.00	100.00	100.00	100.00
Cromital S.p.A	100.00	100.00	100.00	100.00
Sisecam Trading Co.	100.00	100.00	100.00	100.00
Sisecam Chemicals USA Inc.	100.00	100.00	100.00	100.00
Sisecam Chemicals Resources LLC	60.00	60.00	60.00	60.00
Sisecam Chemicals Wyoming LLC	60.00	60.00	60.00	60.00
Sisecam Chemicals Newco 2 LLC	60.00	60.00	-	-
Sisecam Resources General Partners LLC	60.00	60.00	60.00	60.00
Sisecam Resources LP	100.00	60.00	74.00	44.40
Sisecam Wyoming LLC	51.00	30.60	51.00	22.64

b) Production Partnership of Chemicals Group

Company's Name	30 September 2023		31 December 2022	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Pacific Soda LLC	60.00	60.00	60.00	60.00
Stockton Soda Ash Port LLC	50.00	50.00	-	-

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

c) Associate of Chemicals Group

Company's Name	30 September 2023		31 December 2022	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Solvay Sisecam Holding AG	25.00	25.00	25.00	25.00

Energy Group

Company's Name	30 September 2023		31 December 2022	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Şişecam Enerji A.Ş.	100.00	100.00	100.00	100.00
Camiş Elektrik Üretim A.Ş.	100.00	100.00	100.00	100.00

Other Group

a) Subsidiaries of Recycling Group

Company's Name	30 September 2023		31 December 2022	
	Direct and indirect ownership rate (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Şişecam Çevre Sistemleri A.Ş. (*)	100.00	100.00	90.00	90.00

(*) Şişecam became the sole shareholder of the company by completing the option to purchase EBRD's 10% stake in Şişecam Çevre Sistemleri A.Ş. on 24.04.2023.

b.1) Subsidiaries of the Mining Group

Company's Name	30 September 2023		31 December 2022	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Camiş Madencilik A.Ş.	100.00	100.00	100.00	100.00
Camis Egypt Mining Ltd. Co.	99.70	99.70	99.70	99.70

b.2) Associate of the Mining Group

Company's Name	30 September 2023		31 December 2022	
	Direct and indirect ownership rate (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Rudnik Krecnjaka Vijenac D.O.O.	50.00	50.00	50.00	50.00

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

c) Subsidiaries of Other Services Group

Company's Name	30 September 2023		31 December 2022	
	Direct and indirect rate (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Şişecam Sigorta Aracılık Hizmetleri A.Ş.	100.00	100.00	100.00	100.00
Şişecam Dış Ticaret A.Ş.	100.00	100.00	100.00	100.00
SC Glass Trading B.V.	100.00	100.00	100.00	100.00
Şişecam Investment B.V.	100.00	100.00	100.00	100.00
Camiş Ambalaj Sanayii A.Ş.	100.00	100.00	100.00	100.00
Oxyvit Kimya Sanayii ve Tic. A.Ş.	100.00	100.00	100.00	100.00
Refel S.p.A.	100.00	100.00	100.00	100.00

2. Basis of Presentation of Consolidated Financial Statements

2.1 Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with Communiqué Serial II, No: 14,1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013, According to Article 5 of the Communiqué, consolidated financial statements are prepared in accordance with the Turkish Accounting Standard issued by Public Oversight Accounting and Auditing Standards Authority ("POA/ASA"), TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations ("IFRIC"), In addition, it has been presented in accordance with the formats determined in the "Announcement on TMS Taxonomy" published by the KGK on October 4, 2022 and the Financial Statement Examples and User Guide published by the CMB.

In accordance with the Turkish Accounting Standard No: 34 "Interim Financial Reporting", enterprises are free to prepare their interim financial statements as a full set or as a summary, In this context, the Group has preferred to prepare condensed consolidated financial statements in the interim periods, Therefore, these interim condensed consolidated financial statements should be read together with the Group's consolidated financial statements as of 31 December 2022.

The Company (and its subsidiaries, Joint Activities and Joint Ventures registered in Turkey) maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code (the "TCC"), tax legislation and the uniform chart of accounts issued by the Ministry of Finance, subsidiaries, joint ventures, associates and joint activities operating in foreign countries have prepared their statutory financial statements in accordance with the laws and regulations of the country in which they operate. The year end consolidated financial statements, except for the financial asset and liabilities presented with their fair values, are maintained under historical cost conversion in TRY. This year end consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the TAS.

Presentation and Functional Currency

The individual financial statements of each Group entity are presented in its currency where the entity operates (its functional currency), For the purpose of the consolidated financial statements, the results and financial position of each entity consolidated are expressed in thousand Turkish Lira (TRY), which is the functional of the Company and the presentation currency of the Group. Currencies other than TRY are also expressed in thousands.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Consolidated Financial Statements (continued)

2.1 Basis of presentation (continued)

Preparation of Financial Statements in Hyperinflationary Periods

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period, TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. Therefore, it is expected that TAS 29 will start to be applied simultaneously by all entities with the announcement of Public Oversight Accounting and Auditing Standards Authority to ensure consistency of the application required by TAS 29 throughout the country. However, the Authority has not published any announcement that determines entities would restate their financial statements for the accounting period ending on 30 September 2023 in accordance with TAS 29. In this context, TMS 29 is not applied and inflation adjustment has not been reflected in the condensed financial statements as of September 30, 2023.

The consolidated financial statements including the accounts of the parent company, its subsidiaries, joint ventures, joint activities and associates have been prepared assuming that the Group will continue as a going concern on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

Comparatives and Restatement of Prior Periods Financial Statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the financial position and performance, Comparative figures are reclassified where necessary, to conform to changes in presentation in the current period consolidated financial statements.

Due to the acquisition of American companies and Refel S.p.A., the calculations made on the temporary amounts became final on 31 December 2022 and the adjustments were made as of the date of purchase, Accordingly, the footnotes on the consolidated profit or loss statement, other comprehensive income statement, statement of changes in equity and cash flow statement for the period between January 1 and September 30, 2022, which are presented comparatively with the consolidated financial statements for the period 1 January-30 September 2023, have been restated.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.1 Basis of presentation (continued)

Comparatives and Restatement of Prior Periods Financial Statements(continued)

Group' s restated balance sheet as of 30 September 2022 is stated below:

Balance Sheet

	Previously				Restated
	Reported	30 September	Sisecam	Pacific	30 September
ASSETS	2022	Chemicals	Soda LLC (*)	Refel	2022
		Resources		S.p.A	
Current Assets					
Cash and cash equivalents	16,890,371	-	-	-	16,890,371
Financial investments	5,870,980	-	-	-	5,870,980
Trade receivables	19,378,626	-	-	-	19,378,626
– Due from related parties	60,431	-	-	-	60,431
– Other trade receivables	19,318,195	-	-	-	19,318,195
Other receivables	921,455	-	-	-	921,455
Contract assets	193,960	-	-	-	193,960
Derivative financial assets	870,297	-	-	-	870,297
Inventories	15,989,089	17,325	-	-	16,006,414
Prepayments	1,811,756	(6,565)	-	-	1,805,191
Current tax assets	234,819	-	-	-	234,819
Other current assets	2,209,339	-	-	-	2,209,339
	64,370,692	10,760	-	-	64,381,452
Non-current assets classified as held for sale.	137,500	-	-	-	137,500
Total current assets	64,508,192	10,760	-	-	64,518,952
Non-current assets					
Financial investments	946,725	-	-	-	946,725
Other receivables	91,004	-	-	-	91,004
Derivative financial assets	1,314,308	-	-	-	1,314,308
Investments accounted for using the equity method	1,712,641	-	-	-	1,712,641
Investment properties	1,331,323	-	-	-	1,331,323
Property, plant, and equipment	39,820,662	2,937,775	-	116,951	42,875,388
Right of use assets	843,065	15,754	-	-	858,819
Intangible assets	20,134,965	875,013	510,195	43,210	21,563,383
– Goodwill	5,588,538	(1,031,473)	(3,630,334)	(123,920)	802,811
– Other intangible assets	14,546,427	1,906,486	4,140,529	167,130	20,760,572
Prepayments	2,164,201	(19,894)	-	-	2,144,307
Deferred tax assets	2,370,040	-	-	-	2,370,040
Other non-current assets	2,914	-	-	-	2,914
Total non-current assets	70,731,848	3,808,648	510,195	160,161	75,210,852
TOTAL ASSETS	135,240,040	3,819,408	510,195	160,161	139,729,804

(*) Atlantic Soda LLC and Pacific Soda LLC; The reorganization effect of the two joint activity is shown collectively under Pacific Soda LLC, as they were merged under Pacific Soda LLC.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.1 Basis of presentation (continued)

Comparatives and Restatement of Prior Periods Financial Statements(continued)

	Previously Reported				Restated
	30 September 2022	Sisecam Chemicals Resources	Pacific Soda LLC (*)	Refel S.p.A	30 September 2022
LIABILITIES					
Current Liabilities					
Short term borrowings	10,533,783	-	-	-	10,533,783
Short term portion of long-term borrowings	8,896,580	-	-	-	8,896,580
Trade payables	9,389,739	-	-	-	9,389,739
– Due to related parties	194,150	-	-	-	194,150
– Due to third parties	9,195,589	-	-	-	9,195,589
Liabilities for employee benefits	422,063	-	-	-	422,063
Other payables	889,436	-	-	-	889,436
– Due to related parties	49,159	-	-	-	49,159
– Due to third parties	840,277	-	-	-	840,277
Contract liabilities	137,314	-	-	-	137,314
Derivative instruments	339,627	-	-	-	339,627
Deferred income	1,092,818	-	-	-	1,092,818
Current income tax liabilities	969,296	-	-	-	969,296
Short term provisions	1,075,549	-	-	-	1,075,549
Other current liabilities	2,366,780	-	-	-	2,366,780
Total current liabilities	36,112,985	-	-	-	36,112,985
Non-current liabilities					
Long term borrowings	21,972,644	-	-	-	21,972,644
Other payables	4,316	-	-	-	4,316
Deferred income	288,187	-	-	45,412	333,599
Long term provisions	3,006,430	-	-	-	3,006,430
Deferred tax liabilities	452,587	-	-	51,974	504,561
Other non-current liabilities	132,403	-	-	-	132,403
Total non-current liabilities	25,856,567	-	-	97,386	25,953,953
Total liabilities	61,969,552	-	-	97,386	62,066,938

(*) Atlantic Soda LLC and Pacific Soda LLC; The reorganization effect of the two joint activity is shown collectively under Pacific Soda LLC, as they were merged under Pacific Soda LLC.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.1 Basis of presentation (continued)

Comparatives and Restatement of Prior Periods Financial Statements(continued)

	Previously Reported				Restated
	30 September 2022	Sisecam Chemicals Resources	Pacific Soda LLC (*)	Refel S.p.A	30 September 2022
EQUITY					
Equity holders of the parent	59,147,980	(146,718)	510,195	62,775	59,574,232
Paid capital	3,063,214	-	-	-	3,063,214
Adjustment to share capital differences	320,075	-	-	-	320,075
Treasury shares	(101,749)	-	-	-	(101,749)
Share premiums (discount)	167,048	-	-	-	167,048
Accumulated other comprehensive income/expense not to be reclassified to profit or loss	7,390,905	-	-	-	7,390,905
- Gains/(losses) on revaluation and remeasurement	7,390,905	-	-	-	7,390,905
- Revaluation gain/(loss) on tangible assets	7,215,643	-	-	-	7,215,643
- Gain/(loss) arising from defined benefit plans	175,262	-	-	-	175,262
Accumulated other comprehensive income/expense to be reclassified to profit or loss	15,990,978	(20,912)	520,196	3,690	16,493,952
- Currency translation differences	16,246,286	(20,912)	520,196	3,690	16,749,260
- Hedge reserves	(255,308)	-	-	-	(255,308)
Restricted reserves	1,135,832	-	-	-	1,135,832
Retained earnings	17,425,198	-	29,836	-	17,455,034
Net profit or loss for the period	13,756,479	(125,806)	(39,837)	59,085	13,649,921
Non-controlling interests	14,122,508	3,966,126	-	-	18,088,634
Total equity	73,270,488	3,819,408	510,195	62,775	77,662,866
TOTAL LIABILITIES AND EQUITY	135,240,040	3,819,408	510,195	160,161	139,729,804

(*) Atlantic Soda LLC and Pacific Soda LLC; The reorganization effect of the two joint activity is shown collectively under Pacific Soda LLC, as they were merged under Pacific Soda LLC.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.1 Basis of presentation (continued)

Comparatives and Restatement of Prior Periods Financial Statements(continued)

Group' s restated Profit/Loss for the period 30 September 2022 is stated below:

	Previously Reported				Restated
	30 September 2022	Sisecam Chemicals Resources	Pacific Soda LLC (*)	Refel S.p.A	30 September 2022
Revenues	66,279,449	-	-	-	66,279,449
Cost of Sales	(40,754,662)	(555,549)	-	(11,952)	(41,322,163)
Gross profit/ (loss) from trading activity	25,524,787	(555,549)	-	(11,952)	24,957,286
General administrative expenses	(3,249,019)	(3,106)	(13,971)	-	(3,266,096)
Marketing expenses	(9,420,895)	-	-	-	(9,420,895)
Research and development expenses	(132,840)	-	(25,866)	-	(158,706)
Other operating income	4,070,134	-	-	-	4,070,134
Other operating expenses	(2,642,181)	-	-	-	(2,642,181)
Share of profit (loss) from investments accounted for using equity method	158,067	-	-	-	158,067
Operating profit/ (loss)	14,308,053	(558,655)	(39,837)	(11,952)	13,697,609
Income from investing activities	1,559,159	-	-	62,516	1,621,675
Expense from investing activities	(486,231)	(2,428)	-	-	(488,659)
Impairment gain and reversal of impairment loss determined	(57,078)	-	-	-	(57,078)
Profit (Loss) before financing income (expense)	15,323,903	(561,083)	(39,837)	50,564	14,773,547
Financial income	9,524,821	-	-	-	9,524,821
Financial expenses	(9,617,893)	5,798	-	-	(9,612,095)
Profit (Loss) from continuing operations, before tax	15,230,831	(555,285)	(39,837)	50,564	14,686,273
Tax (expense) income, continuing operations	(503,717)	-	-	8,521	(495,196)
- Current period tax (expense) / income	(1,713,305)	-	-	-	(1,713,305)
- Deferred tax (expense) income	1,209,588	-	-	8,521	1,218,109
Profit (Loss)	14,727,114	(555,285)	(39,837)	59,085	14,191,077
Attributable to:					
- Non-controlling interest	970,635	(429,479)	-	-	541,156
- Equity holders of the parent	13,756,479	(125,806)	(39,837)	59,085	13,649,921
Earnings per share	4,6197	(0,0422)	(0,0134)	0,0198	4,5839

(*) Atlantic Soda LLC and Pacific Soda LLC; The reorganization effect of the two joint activity is shown collectively under Pacific Soda LLC, as they were merged under Pacific Soda LLC.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.1 Basis of presentation (continued)

Comparatives and Restatement of Prior Periods Financial Statements(continued)

Group' s restated other comprehensive income for the period 1 January and 31 September 2022 is stated below:

	Previously Reported				Restated
	30 September 2022	Sisecam Chemicals Resources	Pacific Soda LLC (*)	Refel S,p,A	30 September 2022
Profit / (loss) for the Period	14,727,114	(555,285)	(39,837)	59,085	14,191,077
Other Comprehensive Income:					
Items that will not be reclassified to profit or loss	1,487,304	-	-	-	1,487,304
Gains (Losses) on revaluation of property, plant, and equipment	1,233,578	-	-	-	1,233,578
Gain / (loss) arising from defined benefit plans	446,228	-	-	-	446,228
Share of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss	2,295	-	-	-	2,295
Taxes on items that will not be reclassified to profit or loss	(194,797)	-	-	-	(194,797)
Items that will be reclassified to profit or loss	11,154,843	1,184,178	175,031	3,690	12,517,742
Currency translation differences	11,211,498	1,184,178	175,031	3,690	12,574,397
Other comprehensive income (loss) related with financial assets measured at fair value through other comprehensive income	(73,441)	-	-	-	(73,441)
Taxes on items that will be reclassified to profit or loss	16,786	-	-	-	16,786
Other comprehensive income/ (loss)	12,642,147	1,184,178	175,031	3,690	14,005,046
Total Comprehensive Income/ (Loss)	27,369,261	628,893	135,194	62,775	28,196,123
Attributable to:					
- Non-controlling interest	5,243,502	769,827	-	-	6,013,329
- Equity holders of parent	22,125,759	(140,934)	135,194	62,775	22,182,794
Earnings per share	7,4303	(0,0473)	0,0454	0,0211	7,4495

(*) Atlantic Soda LLC and Pacific Soda LLC; The reorganization effect of the two joint activity is shown collectively under Pacific Soda LLC, as they were merged under Pacific Soda LLC.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.1 Basis of presentation (continued)

Comparatives and Restatement of Prior Periods Financial Statements(continued)

Financial Statements of subsidiaries that operate in foreign countries

The financial statements of subsidiaries, partnerships, joint activities and affiliates operating in foreign countries are prepared in accordance with the laws and regulations applicable in the countries in which they operate and are regulated according to Group accounting policies and whereas assets and liabilities are translated into Turkish lira using the exchange rate as of the consolidated report date income and expenses are translated into Turkish lira using the average exchange rate. The differences arising from the use of closing and average exchange are followed under the cumulative translation difference account within the shareholders' equity.

The rates used in the cycle of overseas activities within the scope of consolidation are as follows:

Currency	30 September 2023			31 December 2022		
	Period End-Buy	Period End-Sale	Period Average	Period End-Buy	Period End-Sale	Period Average
USD Dollar	27.37670	27.42600	22.20867	18.69830	18.73200	16.58086
Euro	29.03050	29.08280	24.07430	19.93490	19.97080	17.39318
Bulgarian Lev	14.84306	14.86980	12.30899	10.19255	10.21091	8.89299
Egyptian Pound	0.88804	0.88964	0.72712	0.75696	0.75833	0.86516
Russian Ruble	0.27957	0.28323	0.26714	0.25948	0.26288	0.25138
Georgian Lari	10.22167	10.24008	8.52386	6.92017	6.93264	5.68689
Ukrainian Gryvnia	0.74864	0.74999	0.60732	0.51132	0.51224	0.51226
Bosnian Mark	14.84306	14.86980	12.30899	10.19255	10.21091	8.89299
Romanian Leu	5.80460	5.88060	4.87278	4.00620	4.05860	3.52805
Hungarian Forint	0.07420	0.07433	0.06304	0.04981	0.04990	0.04446
Chinese Yuan	3.72840	3.77720	3.14692	2.68060	2.71570	2.45651
Indian Rupee	0.32961	0.33020	0.26964	0.22600	0.22640	0.21094

Consolidation Principles

The consolidated financial statements include the accounts of the Group on the basis set out in sections below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with Turkish Accounting Standards applying uniform accounting policies and presentation. The results of subsidiaries and joint ventures are included or excluded from their effective dates of acquisition or disposal respectively.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.1 Basis of presentation (continued)

Subsidiaries

Control is obtained by controlling over the activities of an entity's financial and operating policies in order to benefit from those activities.

Subsidiaries are companies over which the parent company controls the financial and operating policies for the benefit of the parent company and exposed to variable yield due to their relationship with the entity, either (a) through the power to exercise more than 50% of the voting rights relating to shares in the companies owned directly and indirectly by itself; or (b) although not having the power to exercise more than 50% of the voting rights, otherwise having the power to exercise control over the financial and operating policies and sustain variable income because of the relationship with this companies.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Note 1 presents all subsidiaries included in the scope of consolidation and effective interest ownership as of 30 September 2023 and 31 December 2022.

Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that control ceases, where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

The result of operations of subsidiaries are included or excluded in these consolidated financial statements subsequent to the date of acquisition or date of sale respectively. The expenses related to acquisitions are accounted for under profit/loss statement once occurred.

The statements of financial position and statements of profit or loss of the subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Company and its Subsidiaries is eliminated against the related equity, Intercompany transactions and balances between the Company and its Subsidiaries are eliminated during the consolidation. The cost and the dividends arising from shares held by the Company in its Subsidiaries are eliminated from equity and income for the period, respectively.

The non-controlling interests shares in the consolidated subsidiaries net assets are separately disclosed in the equity of the Group, the non-controlling interests represent the sum of the shares issued during the initial business combinations and the non-controlling interests' shares in the equity changes from the date of business combination.

When the losses attributable to the non-controlling portion exceed the non-controlling interest in the equity of the subsidiary, the excess loss, and the further losses attributable to the non-controlling are recognized as non-controlling interest.

Joint Ventures

Joint Ventures are the companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Company and one or more other parties. The Company exercises such joint control through the power to exercise voting rights relating to shares in the companies as a result of ownership interest directly and indirectly held by itself. The table in Note 1 sets out all Joint Ventures included in the scope of consolidation and shows their ownership and effective interests as of 30 September 2023 and 31 December 2022, Joint Ventures are accounted for under equity accounting method.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.1 Basis of Presentation (continued)

Joint Activities

A joint activities occurs when the parties to the arrangement that have joint control have rights to the assets and obligations for the liabilities related to the arrangement. A joint venture participant is evaluated according to its assets, liabilities, revenues and costs. Assets, liabilities, equity items, income and expense accounts and cash flow movements of joint operations are included in the financial statements using the proportional consolidation method, and intra-group transactions, balances and unrealized profits/losses from these joint operations are eliminated from the consolidated financial statements. Atlantic Soda LLC and Pacific Soda LLC, which the Group has jointly controlled with its share purchases in 2021, are considered as joint operations and included in the consolidation, Atlantic Soda LLC and Pacific Soda LLC companies were merged into Pacific Soda LLC on 30 June 2022. Stockton Soda Ash LLC, which the Group has become a shareholder in with the capital increase method in 2023, has been considered as a joint operation and has been included in the consolidated financial statements with the proportional consolidation method.

Associates

The equity method is used for accounting of associates. Associates are companies in which the Group has an interest which is more than 20% and less than 50% of the voting rights and over which a significant influence is exercised. As of 30 September 2023, and 31 December 2022, the details of the Group's associates are disclosed in Note 1. Affiliates are included in the scope of consolidation by using the equity method.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables or the significant influence ceases the Group does not continue to apply the equity method, unless it has incurred obligations or made payments on behalf of the associate. Subsequent to the date of the cessation of the significant influence the investment is carried either at fair value when the fair values can be measured reliably or otherwise at cost when the fair values cannot be reliably measured.

Since profit/loss from investment in associates and joint ventures is related with the Group's main operations, they are presented under "Operating Profit" in the consolidated statement of profit or loss.

Financial investments at fair value through other comprehensive income

The financial investments are accounted for in accordance with IFRS 9, "Financial Instruments" effective from 1 January 2018, The Group has a preference for the equity investment that is not held for trading purposes and held for the first time and that the subsequent amendment to fair value would not be reversible for presentation in other comprehensive income, gains or losses on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognised or reclassified.

Financial investments, in which the Group has controlling interests equal to or above 20%, or over which are either immaterial or where a significant influence is not exercised by the Group, that do not have quoted market prices in active markets and whose fair values cannot be reliably measured are measured by its costs carried at cost less any provision for impairment.

Available-for-sale investments, in which the Group has an interest that is below 20% or in which a significant influence is not exercised by the Group, that have quoted market prices in active markets and whose fair values can be reliably measured, are carried at their fair values in the consolidated financial statements.

2.2 Statement of Compliance to TAS

The Group prepared the accompanying consolidated financial statements as of 30 September 2023 in accordance with Communiqué Serial II, No: 14.1 and the related announcements. The accompanying consolidated financial statements and explanatory notes were disclosed in compliant with reporting formats recommended by Capital Markets Board (CMB), including the compulsory explanations.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.3 Changes in Accounting Policies

Significant changes in the accounting policies are applied to prior periods and financial statements of prior periods are restated. The accounting policies applied in the preparation of the consolidated financial statements as of 30 September 2023 are consistent with those applied in the preparation of the consolidated financial statements of 31 December 2022 except for the following matters.

Hedging Net Investment Risk in Foreign Operations

For subsidiaries, joint ventures and abroad branches, Within the scope of TAS 21, the the group determines the currencies used in the main economic environments in which the enterprises abroad operate as the functional currency of the said enterprises. While the Group translates the operating results and financial position of its foreign operations into the currency used in the presentation of the consolidated financial statements, the Group accounts for foreign exchange differences as foreign currency translation differences in the consolidated statement of comprehensive income until it disposes of the foreign operation.

Currency hedge accounting arising from a net investment in a foreign operation is applied only if the net assets of that foreign enterprise are included in the financial statements, The amount of the foreign exchange hedged item arising from a net investment in a foreign operation may be equal to or less than the book value of the net assets of the foreign operation.

In TFRS 9 and TFRS Interpretation 16, an appropriate hedged item and appropriate hedging instruments must be defined within the hedge accounting relationship. In the case of a defined hedging relationship for the hedging of the net investment, the gain or loss on a hedging instrument that is determined to effectively hedge the net investment is recognized in the consolidated statement of comprehensive income and is recognized with exchange differences resulting from the translation of the results of operations and financial position of the foreign operation displayed together.

As of January 1, 2023, the Group has decided to apply a net investment hedging strategy in foreign operations in order to hedge foreign exchange risk in its consolidated financial statements. This strategy is the hedging item of companies in Turkey, Euro and USD loans and some of the US Dollar bonds used for their foreign investments, and Şişecam Investment B,V, as a hedging instrument and Sisecam Chemicals USA Inc, companies net asset value in foreign currency is associated with the net investment hedging method. Changes in foreign currency borrowings related to the subject are accounted for under "Other Accumulated Comprehensive Income or Expenses to be Reclassified in Profit or Loss" and "Gains (Losses) on Hedges of Net Investment in Foreign Operations" under equity. In the event of the disposal of the foreign subsidiary, the amount recognized in the equity of the hedging instrument is recognized as profit or loss.

Segment Reporting

The Group has seven operating segments that contain information used by management to evaluate their performance and decide on resource allocation. These activity groups of the Group include architectural glass, industrial glass (automotive, white goods and glass fiber), glassware, packaging, energy, chemicals and other group (import, export, packaging waste recovery and non-hazardous waste recycling, production and sales of cast AZS refractory blocks, holding activities and insurance brokerage services).

2.4 Restatement and Errors in the Accounting Policies and Estimates

The effect of changes in accounting estimates affecting the current period is recognized in the current period; the effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods, The accounting estimates used in the preparation of these consolidated financial statements for the period ended 30 September 2023 are consistent with those used in the preparation of financial statements for the year ended 31 December 2022,

Material changes in accounting policies or material errors are applied, retrospectively by restating the prior period consolidated financial statements.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.5 Amendments in Turkish Financial Reporting Standards ("TFRS")

The accounting policies adopted in preparation of the consolidated financial statements as of September 30, 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2023 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

The new standards, amendments and interpretations which are effective as of 1 January 2023 are as follows:

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date.

The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information, 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them, Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments. However, certain disclosure requirements are not required to be applied for any interim period ending on or before 31 December 2023

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.5 Amendments in Turkish Financial Reporting Standards ("TFRS") (continued)

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The amendments did not have a significant impact on the financial position or performance of the Group.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. In accordance with amendments issued by POA in December 2021, entities have transition option for a "classification overlay" to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of TFRS 17.

The mandatory effective date of the Standard for the following entities has been postponed to accounting periods beginning on or after January 1, 2024 with the announcement made by the POA:

- Insurance, reinsurance and pension companies.
- Banks that have ownership/investments in insurance, reinsurance and pension companies and
- Other entities that have ownership/investments in insurance, reinsurance and pension companies.

The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In January 2021 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa.

The amendments did not have a significant impact on the financial position or performance of the Group.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.5 Amendments in Turkish Financial Reporting Standards ("TFRS") (continued)

ii) Standards issued but not yet effective and not early adopted(continued)

Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback

In January 2023, POA issued amendments to TFRS 16, The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The amendments did not have a significant impact on the financial position or performance of the Group.

iii) *The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)*

The following amendments to IAS 12 as well as IAS 7 and IFRS 7 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS.the Group will make the necessary changes to its consolidated financial statements after the amendments are issued and become effective under TFRS.

Amendments to IAS 21 - Lack of exchangeability

In August 2023, IASB issued amendments to IAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.6 Summary of Significant Accounting Policies

Condensed consolidated interim financial statements for the period ending on 30 September 2023 have been prepared in accordance with TAS 34 for the preparation of interim financial statements of TFRS. In addition, the interim condensed consolidated financial statements for the period ended 30 September 2023 have been prepared by applying the accounting policies consistent with the accounting policies applied during the preparation of the consolidated financial statements for the year ended 31 December 2022, except for the matter stated in Note 2.3. Therefore, these interim condensed consolidated financial statements should be evaluated together with the consolidated financial statements for the year ended 31 December 2022.

2.7 Critical accounting estimates, judgments, and assumptions

The preparation of the consolidated financial statements requires the disclosure of the amounts of assets and liabilities reported as of the report date, the disclosure of contingent assets and liabilities, and the use of estimates and assumptions that may affect the amounts of income and expenses reported during the accounting period. Accounting evaluations, estimates and assumptions are constantly evaluated by taking into account past experience, other factors, and reasonable expectations about future events under current conditions. Although these estimates and assumptions are based on management's best knowledge of current events and transactions, actual results may differ from the assumptions. Significant accounting, estimates and assumptions have been applied consistently with the financial statements prepared as of 31 December 2022.

3. Business Combinations

Transactions Related to the year 2023

Business combinations as of 30 September 2023 are as follows:

a) Stockton Soda Ash Port LLC

Within the scope of TFRS-3 "Business Combinations" standard, Stockton Soda Ash Port LLC (formerly Denmar US LLC), which will operate for logistics activities in USA on May 11, 2023, became a 50% shareholder in return for 12,200,000 USD by capital increase method. Stockton Soda Ash Port LLC, which is a shareholder with the capital increase method, is included in the consolidated financial statements with the proportional consolidation method.

After the capital increase, the total capital of the company as of 11 May 2023 is 24,400,000 USD.

The calculation made on the temporary amounts since April 30, 2023 will be completed within twelve months following the purchase date, and if necessary, adjustments will be made from the date of purchase.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

3. Business Combinations (Continued)

a) Stockton Soda Ash Port LLC (continued)

	30 April 2023	Capital increase method Acquisition Process (*)	Other Shareholder Capital Increase (*)	Capital Increase Result
Curent Asset				
Cash and cash equivalents	747	238,375	79,329	318,451
Total Current Assets	747	238,375	79,329	318,451
Non-current assets				
Tangible assets	136,580	-	-	136,580
Right of use assets	410,176	-	-	410,176
Total Non-current assets	546,756	-	-	546,756
TOTAL ASSETS	547,503	238,375	79,329	865,207
Current liabilities				
Short term lease liabilities	15,723	-	-	15,723
Trade Payables	18,234	-	-	18,234
Other short term liabilities	1,655	-	-	1,655
Total current liabilities	35,612	-	-	35,612
Non-current liabilities				
Long term lease liabilities	395,192	-	-	395,192
Other long-term liabilities	302,674	-	-	302,674
Total Non-curent liabilities	697,866	-	-	697,866
Total Liabilities	733,478	-	-	733,478
Equity				
Paid Capital	159,332	238,804	79,472	477,608
Currency difference	-	(428)	(143)	(571)
Retain Earnings	(345,308)	-	-	(345,308)
Total Equity	(185,976)	238,376	79,329	131,729
Total Net Assets				131,729
Shares received				%50
Total cash paid				238,375
Currency difference				(660)
Goodwill (Provisionally calculated) (Note 17)				171,851

(*) A capital increase of USD 12,200,000 was made by Şişecam Chemicals USA Inc and USD 4.060,048 by Denmar Holding LLC, the other shareholder.

Transactions Related to the year 2022

Business combinations as of 31 December 2022 are as follows:

a) Refel S,p,A,

Within the scope of TFRS-3 "Business Combinations" standard, the entire company named Refel S,p,A, which is engaged in the production and sale of cast AZS refractory block for glass production, located in Italy, was purchased for EUR 22,000,000.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

3. Business Combinations (Continued)

Transactions Related to the year 2022 (continued)

The valuation studies of the subsidiary residing in Italy, which has been consolidated with temporary amounts in accordance with the TFRS-3 "Business Combinations" standard since February 3, 2022, have been completed and the effects of the final amounts have been reflected in the financial statements dated December 31, 2022.

The calculation made on the temporary amounts since 31 January 2022 has been finalized on 31 December 2022. Adjustments have been made from the date of purchase.

Current Assets	31 January 2022
Cash and cash equivalents	32,945
Trade receivables	113,951
Inventories	203,744
Other Current Assets	23,962
Total Current Assets	374,602
Non-current assets	
Tangible assets	233,573
Intangible assets	151,408
Other non-current Assets	7,703
Total Non-current assets	392,684
TOTAL ASSETS	767,286
Current liabilities	
Trade Payables	89,933
Payables within the scope of employee benefits	28,025
Deferred income	101,151
Other current liabilities	29,797
Total current liabilities	248,906
Non- Current liabilities	
Long-term borrowings	66,854
Other Long-Term Liabilities	11,155
Deferred Tax Liabilities	51,026
Total Non- Current liabilities	129,035
Total liabilities	377,941
Net Total Assets	389,345
Shares received	%100
Total cash paid	332,744
Currency difference	264
Bargain purchase profit	(56,865)
Bargain purchase profit on the purchase day	(56,865)
Currency difference gain (loss)	(5,651)
Reported (Note 24)	(62,516)
Purchase Price	332,744
Amount of Cash and Cash Equivalents of the Company	32,945
Net Cash Flow	299,799

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

4. Segment Reporting

a) Operating Segments

1 January-30 September 2023	Architectural	Industrial	Glassware	Glass Packaging	Chemicals	Energy	Other	Consolidation adjustments	Consolidated
Net sales – third parties	19,393,760	9,659,807	11,199,259	17,033,834	25,899,237	9,789,624	1,864,828	-	94,840,349
Intergroup sales	1,286,549	2,977	6,495	522,035	2,188,417	2,149,043	2,034,139	(8,189,655)	-
Total net sales	20,680,309	9,662,784	11,205,754	17,555,869	28,087,654	11,938,667	3,898,967	(8,189,655)	94,840,349
Cost of sales	(14,407,963)	(7,775,327)	(6,474,583)	(11,450,134)	(15,770,481)	(11,748,269)	(3,066,840)	8,242,769	(62,450,828)
Gross profit	6,272,346	1,887,457	4,731,171	6,105,735	12,317,173	190,398	832,127	53,114	32,389,521
Operating expenses	(3,984,267)	(1,679,950)	(2,801,687)	(3,498,743)	(6,799,603)	(47,564)	(2,967,971)	3,063,311	(18,716,474)
Other operating income	1,691,585	669,820	1,006,807	1,799,632	2,055,561	21,650	5,153,015	(3,115,567)	9,282,503
Other operating expenses	(838,158)	(476,155)	(651,413)	(1,112,984)	(1,485,503)	(66,857)	(2,639,741)	6,324	(7,264,487)
Share of profit (loss) from investments accounted for using equity method	240,526	-	-	-	455,581	-	5,096	-	701,203
Operating profit/ (loss)	3,382,032	401,172	2,284,878	3,293,640	6,543,209	97,627	382,526	7,182	16,392,266
Income from investing activities	247,389	27,942	7,105	84,615	283,102	1,271	2,017,607	(100,000)	2,569,031
Loss from investing activities	(80,777)	(14,903)	(36,872)	(377)	(2,590)	(53)	(250,445)	-	(386,017)
Other valuation gains / (losses)	1,579	1,575	189	255	5,498	(501)	20,439	-	29,034
Operating profit before financial income and expense	3,550,223	415,786	2,255,300	3,378,133	6,829,219	98,344	2,170,127	(92,818)	18,604,314
Purchases of tangible and intangible assets	3,064,002	459,588	935,492	5,306,220	1,107,354	824	984,341	-	11,857,821
Right of use assets	67,683	124,380	113,820	-	544,443	-	26,708	-	877,034
Depreciation and amortization charges (-)	(861,308)	(382,348)	(431,514)	(966,687)	(1,800,009)	(10,529)	(233,480)	-	(4,685,875)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	4,411,531	798,134	2,686,814	4,344,820	8,629,228	108,873	2,403,607	(92,818)	23,290,189

(*) EBITDA is not defined by TAS. The Group defined EBITDA as profit before interest, depreciation and tax. The EBITDA amounts disclosed are shown separately by the Group management for a better understanding and measurement of the Group's operational performance.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

4. Segment Reporting (Continued)

a) Operating Segments (Continued)

1 January-30 September 2022	Architectural	Industrial	Glassware	Glass Packaging	Chemicals	Energy	Other	Consolidation adjustments	Consolidated
Net sales – third parties	17,657,535	5,452,812	6,748,418	12,067,646	17,789,056	4,892,035	1,671,947	-	66,279,449
Intergroup sales	1,084,551	57,192	142,996	338,502	1,470,820	1,763,994	1,325,196	(6,183,251)	-
Total net sales	18,742,086	5,510,004	6,891,414	12,406,148	19,259,876	6,656,029	2,997,143	(6,183,251)	66,279,449
Cost of sales	(10,785,876)	(4,319,668)	(4,277,452)	(8,665,280)	(10,333,664)	(6,432,053)	(2,273,856)	5,765,686	(41,322,163)
Gross profit	7,956,210	1,190,336	2,613,962	3,740,868	8,926,212	223,976	723,287	(417,565)	24,957,286
Operating expenses	(2,973,079)	(1,080,297)	(1,632,776)	(2,217,723)	(5,015,163)	(87,301)	(1,436,247)	1,596,889	(12,845,697)
Other operating income	607,862	459,295	598,570	557,653	674,998	13,460	2,801,732	(1,643,436)	4,070,134
Other operating expenses	(292,811)	(255,155)	(445,150)	(362,787)	(410,277)	(7,776)	(948,994)	80,769	(2,642,181)
Share of profit (loss) from investments accounted for using equity method	168,054	-	-	-	(9,477)	-	(510)	-	158,067
Operating profit/ (loss)	5,466,236	314,179	1,134,606	1,718,011	4,166,293	142,359	1,139,268	(383,343)	13,697,609
Income from investing activities	410,148	4,746	2,083	143,428	776,379	609	334,282	(50,000)	1,621,675
Loss from investing activities	(5,744)	-	(11,103)	(704)	(465,744)	-	(5,364)	-	(488,659)
Other valuation gains / (losses)	(5,296)	(493)	767	(2,306)	(8,529)	(23)	(41,198)	-	(57,078)
Operating profit before financial income and expense	5,865,344	318,432	1,126,353	1,858,429	4,468,399	142,945	1,426,988	(433,343)	14,773,547
Purchases of tangible and intangible assets	1,159,043	190,359	658,336	1,316,655	1,325,415	28	444,794	-	5,094,630
Right of use assets	31,644	11,934	19,455	12,354	288,128	227	16,005	-	379,747
Depreciation and amortization charges (-)	(656,108)	(263,372)	(323,096)	(725,470)	(1,455,017)	(10,576)	(175,633)	-	(3,609,272)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	6,521,452	581,804	1,449,449	2,583,899	5,923,416	153,521	1,602,621	(433,343)	18,382,819

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

4. Segment Reporting (Continued)

b) Geographical segments

1 January-30 September 2023	Turkey	Russia, Ukraine and Georgia	Europe	America	Other	Total	Adjustments	Consolidated
Net sales – third parties	51,799,267	7,861,245	20,484,263	13,092,791	1,602,783	94,840,349	-	94,840,349
Intergroup sales	3,820,919	-	2,313,881	21,748	168,685	6,325,233	(6,325,233)	-
Total net sales (*)	55,620,186	7,861,245	22,798,144	13,114,539	1,771,468	101,165,582	(6,325,233)	94,840,349
Cost of sales	(38,830,916)	(5,225,244)	(17,618,163)	(6,282,037)	(1,430,365)	(69,386,725)	6,935,897	(62,450,828)
Gross profit	16,789,270	2,636,001	5,179,981	6,832,502	341,103	31,778,857	610,664	32,389,521
Operating expenses	(8,893,694)	(1,866,825)	(3,902,201)	(5,059,990)	(447,821)	(20,170,531)	1,454,057	(18,716,474)
Other operating income	9,980,093	194,346	1,099,409	1,572	52,161	11,327,581	(2,045,078)	9,282,503
Other operating expense	(6,587,596)	(182,824)	(351,187)	(89,380)	(57,332)	(7,268,319)	3,832	(7,264,487)
Share of profit (loss) from investments accounted for using equity method	5,096	-	696,107	-	-	701,203	-	701,203
Operating profit/ (loss)	11,293,169	780,698	2,722,109	1,684,704	(111,889)	16,368,791	23,475	16,392,266
Income from investing activities	2,524,964	8,280	3,777	-	32,010	2,569,031	-	2,569,031
Loss from investing activities	(307,626)	(377)	(7,087)	-	(70,927)	(386,017)	-	(386,017)
Other valuation gains / (losses)	29,075	12	(53)	-	-	29,034	-	29,034
Operating profit before financial income and expense	13,539,582	788,613	2,718,746	1,684,704	(150,806)	18,580,839	23,475	18,604,314
Purchases of tangible and intangible assets	6,937,486	2,344,693	1,037,468	542,119	996,055	11,857,821	-	11,857,821
Right of use assets	282,349	-	44,577	527,736	22,372	877,034	-	877,034
Depreciation and amortization charges (-)	(1,230,091)	(770,493)	(1,060,022)	(1,509,485)	(115,784)	(4,685,875)	-	(4,685,875)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	14,769,673	1,559,106	3,778,768	3,194,189	(35,022)	23,266,714	23,475	23,290,189

(*) Net sales according to the geographical regions are represented based on the countries where the companies are operating.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

4. Segment Reporting (Continued)

b) Geographical segments (Continued)

1 January-30 September 2022	Turkey	Russia, Ukraine and Georgia	Europe	America	Other	Total	Adjustments	Consolidated
Net sales – third parties	36,206,082	6,292,231	13,643,521	8,656,646	1,480,969	66,279,449	-	66,279,449
Intergroup sales	2,944,908	34,526	1,646,775	155	223,766	4,850,130	(4,850,130)	-
Total net sales (*)	39,150,990	6,326,757	15,290,296	8,656,801	1,704,735	71,129,579	(4,850,130)	66,279,449
Cost of sales	(24,775,387)	(4,206,842)	(11,522,243)	(4,364,214)	(1,219,991)	(46,088,677)	4,766,514	(41,322,163)
Gross profit	14,375,603	2,119,915	3,768,053	4,292,587	484,744	25,040,902	(83,616)	24,957,286
Operating expenses	(5,553,367)	(1,290,834)	(2,806,048)	(3,709,130)	(379,882)	(13,739,261)	893,564	(12,845,697)
Other operating income	4,489,577	293,966	450,677	3,424	81,633	5,319,277	(1,249,143)	4,070,134
Other operating expense	(2,033,986)	(235,228)	(219,115)	(86,412)	(73,067)	(2,647,808)	5,627	(2,642,181)
Share of profit (loss) from investments accounted for using equity method	(510)	-	158,577	-	-	158,067	-	158,067
Operating profit/ (loss)	11,277,317	887,819	1,352,144	500,469	113,428	14,131,177	(433,568)	13,697,609
Income from investing activities	1,537,381	714	64,569	-	19,011	1,621,675	-	1,621,675
Loss from investing activities	(478,931)	(1,555)	(5,745)	(2,428)	-	(488,659)	-	(488,659)
Other valuation gains / (losses)	(57,007)	23	(94)	-	-	(57,078)	-	(57,078)
Operating profit before financial income and expense	12,278,760	887,001	1,410,874	498,041	132,439	15,207,115	(433,568)	14,773,547
Purchases of tangible and intangible assets	3,145,884	502,858	572,812	681,783	191,293	5,094,630	-	5,094,630
Right of use assets	129,235	-	7,142	228,707	14,663	379,747	-	379,747
Depreciation and amortization charges (-)	(879,097)	(612,598)	(746,974)	(1,263,237)	(107,366)	(3,609,272)	-	(3,609,272)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	13,157,857	1,499,599	2,157,848	1,761,278	239,805	18,816,387	(433,568)	18,382,819

(*) Net sales according to the geographical regions are represented based on the countries where the companies are operating.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

5. Cash and Cash Equivalents

	30 September 2023	31 December 2022
Cash on hand	902	1,122
Cash at banks	30,161,652	20,169,363
– Demand deposits	17,280,977	6,763,881
– Time deposits with a maturity of three months or less	12,880,675	13,405,482
Other liquid assets (*)	1,183,988	5,120,915
Provision for impairment	(25,263)	(46,589)
	31,321,279	25,244,811

(*) As of 30 September 2023, a portion of TL 1,025,497 thousand is liquid funds, (31 December 2022: 4,828,248 thousand TL).

The maturity, interest rates and foreign currency position of time deposits are as follows:

Currency	Interest Rate %	Maturity	30 September 2023	31 December 2022
Euro	%0.15 - %3.85	October 2023	821,441	1,015,687
US Dollars	%1.5 - %5,00	October – November 2023	7,026,632	852,605
Turkish Lira	%38.00 - %39.00	October – December 2023	4,139,190	9,324,067
Russian Rubles	%11.00 - %13.00	October 2023	757,774	1,891,640
Other currencies converted TRY			135,638	321,483
			12,880,675	13,405,482

Cash and cash equivalents in the consolidated cash flow statements as of 30 September 2023 and 30 September 2022 are as follows:

	30 September 2023	30 September 2022
Cash and cash equivalents	31,321,279	16,890,371
Effect of impairment loss	25,263	40,026
Interest accrual	(4,706)	(2,824)
	31,341,836	16,927,573

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

6. Financial Investments

a) Current financial investments

	30 September 2023	31 December 2022
Current financial investment		
Financial assets measured at amortized cost	1,574,294	2,051,474
Time deposits	43,566	29,919
Provision for impairment on financial assets	(5,708)	(7,780)
	1,612,152	2,073,613
	30 September 2023	31 December 2022
Financial assets at fair value through profit or loss		
Currency protected deposit	7,849,930	1,754,331
	7,849,930	1,754,331
Total current financial assets	9,462,082	3,827,944

b) Non-current financial investment

	30 September 2023	31 December 2022
Financial assets at fair value through other comprehensive income		
Financial investments not traded in an active market	16,605	16,605
	30 September 2023	31 December 2022
Long term financial investments measured at amortized cost		
Financial investments measured by amortized cost	953,248	823,116
Impairment provision	(32,866)	(38,500)
	920,382	784,616
Total non-current financial assets	936,987	801,221

The movement of financial investments at fair value through other comprehensive income are as follows:

	30 September 2023	30 September 2022
Beginning of the period - 1 January	16,605	2
Additions	-	16,603
	16,605	16,605

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

6. Financial Investments (Continued)

b) Non-current financial investment (Continued)

Financial investment not traded in an active market	Rate of Share (%)	30 September 2023	Rate of Share	31 December 2022
Bosen Enerji Elek, Üret, Oto, Pro, Grb, A.Ş.	<1	2	<1	2
7Cbasalia Global AG	10	16,603	10	16,603
		16,605		16,605

Financial assets measured at amortized cost

Bond issuer	30 September 2023	31 December 2022
Turkcell İletişim Hizmetleri A.Ş.	1,008,576	680,618
Bank of America Corp.	743,567	487,061
Yapı ve Kredi Bankası A.Ş.	249,825	167,877
Türkiye İhracat Kredi Bankası A.Ş. (Türk Eximbank)	237,959	159,161
Türkiye İş Bankası A.Ş.	33,703	22,666
Arçelik A.Ş.	-	576,603
Morgan Stanley	-	487,248
Securities, US Dollar currency	2,273,630	2,581,234
Securities, Indian Rupee currency	253,912	293,356
	2,527,542	2,874,590

Fixed yield securities were accounted for by using effective interest rate at amortized costs. Securities denominated in US Dollars pay fixed interest rate coupon payment every 6-month. Securities denominated in Indian Rupees pay fixed interest rate coupon payment every 3-month.

The expiry dates of financial investments measured at amortized cost are as follows:

Collection periods	30 September 2023	31 December 2022
Less than three months	1,271,587	19,146
3 - 12 months	302,707	2,032,328
1 - 5 years	953,248	823,116
	2,527,542	2,874,590

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

6. Financial Assets (Continued)

b) Non-current financial investment (Continued)

Financial assets denominated in US Dollars measured at amortized cost have an active market and the values according to market prices (dirty prices) are as follows:

Bond issuer	30 September 2023	31 December 2022
Turkcell İletişim Hizmetleri A,Ş,	972,817	638,204
Bank of America Corp,	777,920	478,789
Yapı ve Kredi Bankası A,Ş,	248,447	166,150
Türkiye İhracat Kredi Bankası A,Ş, (Türk Eximbank)	238,045	160,802
Türkiye İş Bankası A,Ş,	33,517	22,549
Arçelik A,Ş,	-	576,217
Morgan Stanley	-	486,278
	2,270,746	2,528,989

There is no active market for securities issued in India.

Movements of financial investments measured at amortized cost are as follows:

	30 September 2023	30 September 2022
1 January- Beginning of period	2,874,590	3,981,610
Valuation difference	1,030,630	1,080,870
Received within the period	479,986	708,270
Currency translation differences	103,061	147,820
Interest collected within the period	(94,299)	(115,370)
Principal collected during the period	(1,866,426)	(2,602,451)
	2,527,542	3,200,749

The movement of impairment on financial investments is as follows:

	30 September 2023	30 September 2022
1 January- Beginning of period	(46,280)	(24,032)
Canceled during the period	(79)	33,897
Expense for the period	7,785	(62,990)
	(38,574)	(53,125)

Coupon interest rates and the redemption dates for financial assets measured at amortized cost denominated in USD are as follows, Effective interest rate of marketable securities is 5.78% (2022: 5.73%),

Bond issuer	ISIN Code	Coupon Interest Rate (%)	Maturity Date
Türkiye İhracat Kredi Bankası A,Ş, (Türk Eximbank)	XS1496463297	5.375	24,10,2023
Bank of America Corp,	XS2550927078	10.950	20,12,2023
Türkiye İş Bankası A,Ş,	XS1578203462	6.125	25,04,2024
Yapı ve Kredi Bankası A,Ş,	XS1634372954	5.850	21,06,2024
Turkcell İletişim Hizmetleri A,Ş,	XS1298711729	5.750	15,10,2025

There are no financial investments in US Dollar currency which have been fully redeemed during the period.

Additionally, 2,345,050 thousand Indian Rupee financial investment have amortized during the period.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

7. Borrowings

	30 September 2023	31 December 2022
Current financial borrowings		
Short term borrowings	21,150,493	8,085,541
Principal and installments of bonds issued	6,434,892	6,203,248
Discount differences and commissions of bonds issued	(8,826)	(7,577)
Other financial borrowings (*)	1,250,445	-
Total current financial borrowings	28,827,004	14,281,212

(*) It consists of credit card debts.

	30 September 2023	31 December 2022
Short term portion of long-term borrowings		
Short-term principal installments and interests of long- term borrowings	4,864,113	3,644,880
Liabilities from leasing transactions	743,576	390,461
Principal and installments of bonds issued	63,954	272,458
Discount differences and commissions of bonds issued	(1,595)	(1,159)
Total short-term portion of long-term borrowings	5,670,048	4,306,640
Total current financial borrowings	34,497,052	18,587,852

	30 September 2023	31 December 2022
Long term borrowings		
Long term portion of long-term borrowings	21,022,978	14,177,511
Bonds issued	19,198,200	13,112,400
Liabilities from leasing transactions	2,331,286	1,063,194
Discount differences and commissions of bonds issued	(22,026)	(28,721)
Total long-term borrowings	42,530,438	28,324,384
Total financial borrowings	77,027,490	46,912,236

As of the balance sheet date, risk of changes in interest rates on loans and contractual reprising dates of the Group is as follows,

	30 September 2023	31 December 2022
Repricing dates for loans		
Shorter than 3 months	13,018,414	2,833,869
3 – 12 months	16,959,165	11,242,738
1 – 5 years	18,310,450	11,626,284
5 years and more	-	205,041
	48,288,029	25,907,932

The bond which was issued on 14 March 2019, and which will redeem on 14 March 2026, is USD 700,000 thousand notional and its coupon rate %6.95 (effective rate of interest 6.95%). Issued bonds are quoted on the Irish Stock Exchange and the stock exchange base price is USD 96.84 (31 December 2022: 97.02). Coupon interest payments of bond are paid every six months in equal installments.

Within the framework of the capital market legislation, the application made by our Company to the Capital Markets Board for the issuance of debt instruments a total amount up to 10,000,000 thousand TL for sale to domestic qualified investors and private placement without public offering was approved by the decision of the Board of Directors dated 08 September 2022 and numbered 49/1317.

Within the framework of the capital market legislation, the application made by our Company to the Capital Markets Board for the issuance of debt instruments a total amount up to 20,000,000,000.-TL (Twenty Billion Turkish Liras) for sale to domestic qualified investors and private placement without public offering was approved by the decision of the Board of Directors dated 20.September.2023 and numbered 55/1187.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

7. Borrowings (Continued)

Transactions as of the report date are as follows:

ISIN	Debt Instrument Type	Redemption Date	Simple Interest Rate	Nominal Value (thousand TL)
TRFSISEE2314	Short-term bond	4.10.2023 (*)	28.00	270,000
TRFSISEE2322	Short-term bond	12.10.2023 (*)	32.00	550,000
TRFSISEE2330	Short-term bond	25.10.2023 (*)	34.00	450,000
TRFSISEK2316	Short-term bond	27.11.2023	30.00	650,000
TRFSISE92416	Short-term bond	24.09.2024	48.00	4.200,000
Borrowings that are not due as of reporting period				6,120,000
TRFSISE42312	Short-term bond	4.04.2023	25.00	1,300,000
TRFSISE42320	Short-term bond	14.04.2023	25.00	1,350,000
TRFSISE42338	Short-term bond	26.04.2023	26.00	1,000,000
TRFSISE62310	Short-term bond	13.06.2023	27.50	1,500,000
TRFSISE82318	Short-term bond	4.08.2023	34.00	475,000
TRFSISE92325	Short-term bond	12.09.2023	41.00	995,000
TRSSISE92310	Long-term bond	26.09.2023	30.00	700,000
TRFSISE92317	Short-term bond	27.09.2023	28.00	760,000
Borrowings paid on maturity				8,080,000
Total				14,200,000

(*) Relevant borrowings have been paid at maturity.

Since the effect of the discounting is not significant, the carrying values of the short-term loans is estimated to converge to the fair value. The fair values are determined using the average effective annual interest rates. The long-term financial liabilities are generally subject to repricing within three- and six-month periods and a large amount of those liabilities consists of foreign currency denominated loans. Therefore, it is expected that the carrying value of the financial liabilities that are calculated by effective interest rate method converge to their fair values.

Financial borrowings movements for the period between 1 January and 30 September 2023 are summarized as below:

Bank loans	Principal	Interest	Commission	Total
Beginning of the period - 1 January	25,688,094	307,649	(87,811)	25,907,932
Borrowed –accrued during the period	25,738,256	1,745,751	(95,729)	27,388,278
Currency translation differences	5,389,657	62,549	(209)	5,451,997
Foreign exchange (gain)/loss (*)	4,959,852	-	-	4,959,852
Payments-reversals during the period	(14,175,873)	(1,338,514)	94,357	(15,420,030)
As of 30 September 2023	47,599,986	777,435	(89,392)	48,288,029

(*) It also includes credit card debts under other financial borrowings.

Bonds issued	Principal	Interest	Discount on bond	Commission	Total
Beginning of the period - 1 January	18,962,401	625,705	(27,343)	(10,114)	19,550,649
Foreign exchange (gain)/loss (**)	6,085,800	-	-	-	6,085,800
Borrowed –accrued during the period	8,350,000	2,049,450	-	(58,818)	10,340,632
Payments-reversals during the period	(8,080,000)	(2,296,310)	42,781	21,047	(10,312,482)
As of 30 September 2023	25,318,201	378,845	15,438	(47,885)	25,664,599

(**) Foreign exchange losses of TL 4,819,941 thousand on bank loans and TL 2,912,490 thousand arising from bonds, TL 7,732,431 thousand in total, are classified under consolidated other comprehensive income within the scope of net investment hedge accounting.

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7. Borrowings (Continued)

Operational lease liabilities	Total
Beginning of the period - 1 January	1,453,655
Additions	138,329
Subsidiary acquisition effect	205,458
Currency translation differences	702,926
Foreign exchange (gain)/loss	47,516
Revaluation differences (**)	1,037,097
Payments during the period	(510,119)
As of 30 September 2023	3,074,862

(**) The Group has remeasured the lease liability to reflect the changes arising from the index-related price increase in the lease payments, and the resulting effect is reflected in the financial statements as an adjustment to the right to use asset (Note 15). The interest effect has been reported by adding up the interest amount specified in the additions line during the period together with the new lease agreements.

Financial borrowings movements for the period between 1 January – 30 September 2022 are summarized on the below:

Bank Loans	Principal	Interest	Commission	Total
Beginning of the period - 1 January	17,208,666	136,944	(12,221)	17,333,389
Subsidiary acquisition effect	59,026	-	-	59,026
Borrowed –accrued during the period	17,033,774	1,103,872	(65,338)	18,072,308
Currency translation differences	3,862,241	29,018	(463)	3,890,796
Foreign exchange (gain)/loss	665,819	-	-	665,819
Payments – reversals during the period	(14,184,137)	(1,050,519)	67,943	(15,166,713)
As of 30 September 2022	24,645,389	219,315	(10,079)	24,854,625

Bond issued	Principal	Interest	Discount on bond	Commission	Total
Beginning of the period - 1 January	9,347,101	194,575	(34,456)	(4,004)	9,503,216
Foreign exchange (gain)/loss	3,639,370	-	-	-	3,639,370
Borrowed –accrued during the period	2,200,000	669,848	-	(4,192)	2,865,656
Payments-reversals during the period	-	(801,810)	5,288	884	(795,638)
As of 30 September 2022	15,186,471	62,613	(29,168)	(7,312)	15,212,604

Operational lease liabilities	Total
Beginning of the period - 1 January	814,767
Additions during the period	403,909
Currency translation differences	292,790
Foreign exchange (gain)/loss	6,000
Revaluation differences (*)	77,995
Payments during the period	(259,683)
As of 30 September 2022	1,335,778

(*) The Group has remeasured the lease liability in a way to reflect the changes arising from the index-related price increase in the lease payments, and the resulting effect is reflected in the financial statements as an adjustment to the right to use asset (Note 15). The interest effect of this effect has been reported by adding up the interest amount specified in the additions line during the period together with the new lease contracts.

In the period of 1 January-30 September 2023, there is no interest expense capitalized on property, plant and equipment (1 January-30 September 2022: TRY 191 thousand interest expense was capitalized on tangible fixed assets).

Debts from lease transactions amounting to TL 3,074,862 thousand are paid in equal monthly installments, (31 December 2022: TL 1,453,655 thousand).

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7. Borrowings (Continued)

Short and long-term bank borrowings are summarized as below:

30 September 2023

Currency	Maturity	Interest range (%)	Short Term	Long Term	Total
Euro	2023-2026	Euribor+1.10-5.70	10,339,928	12,974,234	23,314,162
US Dollar	2023-2028	Libor+2.60-6.50	13,925,633	27,837,454	41,763,087
Turkish Lira	2023-2024	14.81-41.00	8,031,019	316,170	8,347,189
Russian Rubles	2023-2024	8.41-10.10	574,349	1,353,632	1,927,981
Egyptian Pound	2023	19.75-20.75	205,506	261	205,767
Indian Rupee	2023-2026	8.20	675,028	26,306	701,334
Chinese Yuan	2023-2024	4.00	3,078	2,269	5,347
Bulgarian Lev	2023-2024	8.00	6,225	19,293	25,518
Hungarian Forint	2023-2024	4.00	789	819	1,608
Romanian Leu	2023-2024	Robor + 3.50	735,497	-	735,497
			34,497,052	42,530,438	77,027,490

31 December 2022

Currency	Maturity	Interest range (%)	Short Term	Long Term	Total
Euro	2023-2026	Euribor+1.10-5.70	6,264,429	9,854,077	16,118,506
US Dollar	2023-2028	Libor+2.15-3.98	771,212	16,938,861	17,710,073
Turkish Lira	2023-2024	11.75-33.00	10,863,795	163,438	11,027,233
Russian Rubles	2023-2024	7.40-11.62	581,978	1,355,475	1,937,453
Bulgarian Lev	2023-2024	4.00	853	1,790	2,643
Egyptian Pound	2023	8.00	97,221	613	97,834
Indian Rupi	2023-2024	5.50	4,908	6,291	11,199
Chinese Yuan	2023-2024	2.40	2,213	3,238	5,451
Romanian Leu	2023-2024	4.00	659	-	659
Hungarian Forint	2023-2024		584	601	1,185
			18,587,852	28,324,384	46,912,236

The redemption schedule of the financial liabilities is as follows:

	30 September 2023	31 December 2022
Within 1 year	34,497,052	18,587,852
Within 1-2 years	4,871,614	2,548,188
Within 2-3 years	31,576,489	1,342,729
Within 3-4 years	4,117,375	22,315,586
Within 4-5 years	943,909	1,383,957
More than 5 years	1,021,051	733,924
	77,027,490	46,912,236

The weighted average maturity of the financial liabilities is 602 days (31 December 2022: 827 days).

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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8. Trade Receivables and Payables

Trade Receivables

	30 September 2023	31 December 2022
Current trade receivables		
Trade receivables	26,257,007	19,660,608
Other trade receivables	285,177	283,904
Notes receivables and cheques	138,275	181,113
Due from related parties (Note 28)	105,961	63,234
Unearned finance income (-)	(319,686)	(86,258)
Provision for doubtful receivables and expected credit loss (-)	(309,332)	(262,169)
	26,157,402	19,840,432

The movement of provision for short-term doubtful trade receivables and expected credit loss is as follows:

	30 September 2023	30 September 2022
Beginning of the period - 1 January	(262,169)	(172,216)
Current year charge	(53,239)	(33,400)
Currency translation differences	(44,803)	(15,427)
Collections	50,879	21,200
	(309,332)	(199,843)

Provision for long-term doubtful trade receivables and expected credit loss realized movements are as follows:

	30 September 2023	30 September 2022
Beginning of the period - 1 January	-	(486)
Currency translation differences	-	(42)
Current year charge	-	528
	-	-

The Group has received the following collaterals for trade receivables:

	30 September 2023	31 December 2022
Credit Insurance	6,995,546	4,662,412
Letters of guarantees	2,623,961	2,343,045
Direct debit system	1,691,770	1,069,781
Mortgages	229,674	91,003
Promissory notes and bills	150,501	84,044
Confirmed Letter of Credit	22,454	13,336
Cash	1,000	1,347
	11,714,906	8,264,968

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

8. Trade Receivables and Payables (Continued)

The aging analysis of trade receivable that are past due but for which no provisions are made is as follows, this is related to various independent customers with no recent history of default.

	30 September 2023	31 December 2022
1- 30 days overdue	1,588,547	1,402,023
1-3 months overdue	600,144	321,996
3-12 months overdue	458,392	139,330
1- 5 years overdue	99,503	70,794
Total overdue receivables	2,746,586	1,934,143
The portion under guarantee with collaterals and similar guarantees (-)	(1,127,835)	(717,703)

Trade Payables

	30 September 2023	31 December 2022
Short term trade payables		
Trade payables	12,197,438	11,100,488
Due to related parties (Note 28)	423,351	216,363
Other trade payables	171,610	46,516
Deferred finance expense (-)	(98,029)	(32,300)
	12,694,370	11,331,067

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

9. Derivative Instruments

The distribution of derivative instruments is as follows:

	30 September 2023		31 December 2022	
	Assets	Liabilities	Assets	Liabilities
Short-term foreign exchange transactions and options	281,879	15,831	18,604	143,208
Long-term foreign exchange transactions	669,029	-	237,682	-
For Trading Purposes	950,908	15,831	256,286	143,208
Short-term swap contracts	133,086	666,998	895,663	148,379
Long-term swap contracts and options	1,137,583	209,452	947,948	9,495
Cash flow hedging	1,270,669	876,450	1,843,611	157,874
Short-term contracts	414,965	682,829	914,267	291,587
Long-term swap and option transactions	1,806,612	209,452	1,185,630	9,495
Total	2,221,577	892,281	2,099,897	301,082

The transactions related to derivative instruments are as follows:

	30 September 2023	30 September 2022
Beginning of the period - 1 January	1,798,815	1,002,937
Other comprehensive income that will be reclassified to profit or loss	(1,336,671)	(26,723)
- Cash flow hedging	(1,481,958)	(73,441)
- Currency translation differences	145,287	46,718
Valuation differences accounted in profit or loss	929,991	2,460,086
Realized cash (inflows)/outflows	(62,839)	(1,591,322)
Net asset/ (liability)	1,329,296	1,844,978

Derivative instruments are initially recorded at their acquisition cost, which reflects their fair value at the contract date, and are valued at their fair value in the following periods. The derivative instruments of the Group mainly consist of forward foreign currency purchase and sale contracts, foreign currency and interest rate swap transactions, and gas, coal, silver, tin and palladium transactions. In this period, only natural gas and silver transactions are continuing among commodity transactions. Although these derivative instruments provide an effective protection against risks for the Group economically, if they do not meet the necessary conditions in terms of risk accounting, they are accounted for as trading derivatives in the consolidated financial statements and the fair value changes related to them are reflected in the profit or loss statement.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

10. Inventories

	30 September 2023	31 December 2022
Finished goods	13,226,766	10,357,003
Raw materials	9,000,573	6,595,927
Trade goods	1,919,333	1,179,723
Other inventories	909,851	641,835
Work in progress	726,406	620,792
Goods in transit	186,142	131,221
Supplies	332,355	212,551
Provision for inventory impairment (-)	(462,818)	(487,252)
	25,838,608	19,251,800

The movement of provision for inventory impairment is as follows:

	30 September 2023	30 September 2022
Beginning of the period - 1 January	(487,252)	(342,437)
Provisions during the period	(31,606)	(66,398)
Currency translation differences	(72,212)	(53,497)
Released provision	128,252	60,141
Subsidiary acquisition effect	-	(2,947)
	(462,818)	(405,138)

11. Prepaid Expenses and Deferred Income

Prepaid expenses

	30 September 2023	31 December 2022
Prepaid expenses in current assets		
Advances given for inventories	1,527,240	1,490,251
Prepaid expenses	744,191	394,740
	2,271,431	1,884,991

	30 September 2023	31 December 2022
Prepaid expenses in non-current assets		
Advances given for tangible and intangible assets	3,508,105	2,179,243
Prepaid expenses	178,435	153,399
	3,686,540	2,332,642

The movement of advances given for tangible and intangible assets is as follows;

	30 September 2023	30 September 2022
Beginning of the period-1 January	2,179,243	521,434
Advances given during the period	3,195,595	2,814,007
Currency translation differences	349,628	94,272
Released	(2,216,361)	(1,389,120)
Subsidiary acquisition effect	-	2,944
	3,508,105	2,043,537

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

11. Prepaid Expenses and Deferred Income (continued)

Deferred income

	30 September 2023	31 December 2022
Short term deferred income		
Advances received from customers	1,161,035	1,274,510
Other advances received	97,439	58,711
Deferred income	9,574	2,118
	1,268,048	1,335,339

	30 September 2023	31 December 2022
Long term deferred income		
Deferred income	297,163	266,427

12. Customer Contract Assets and Liabilities

In accordance with TFRS-15 "Revenue from contracts with customers" standard, the Group recognized as asset for the contracts whereas the obligation fulfilled and liability for the contracts whereas the obligation to be fulfilled.

Customer Contract Assets

The Group recognized receivables for the contracted manufacturer products and the expected collection periods for these receivables are as follows:

	30 September 2023	31 December 2022
Till 1 month	17,709	7,543
1-3 month	22,247	19,776
3-6 month	105,203	80,418
	145,159	107,737

Customer Contract Liabilities

The Group recognized liability for the transactions to fulfill the obligation amounting and the expected payment periods for these liabilities are as follows:

	30 September 2023	31 December 2022
Till 1 month	273,482	222,857

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

13. Joint Ventures and Associates

Net asset values of joint ventures and associates accounted for using equity method presented in the financial position are as follows:

Joint Ventures

	30 September 2023	31 December 2022
Rudnik Krechnjaka Vijenac D.O.O.	206,421	137,528
	206,421	137,528

Associates

	30 September 2023	31 December 2022
Solvay Sisecam Holding AG	2,056,885	1,161,767
Saint Gobain Glass Egypt S.A.E.	817,406	592,070
	2,874,291	1,753,837
	3,080,712	1,891,365

The Group's shares in investments accounted for using equity method profit/loss are as follows:

Joint Ventures

	30 September 2023	30 September 2022
Rudnik Krechnjaka Vijenac D.O.O.	5,096	(510)
	5,096	(510)

Associates

	30 September 2023	30 September 2022
Solvay Sisecam Holding AG	455,581	(9,477)
Saint Gobain Glass Egypt S.A.E.	240,526	168,054
	696,107	158,577
	701,203	158,067

Dividend income from joint ventures is as below

	30 September 2023	30 September 2022
Solvay Sisecam Holding AG	149,716	233,784
Saint Gobain Glass Egypt S.A.E.	142,475	116,017
	292,191	349,801

The movements of the investments accounted for under equity accounting method during the period are as below:

	30 September 2023	30 September 2022
Beginning of the period - 1 January	1,891,365	1,652,925
Currency translation differences (net)	780,335	251,450
Net income for the period from joint ventures and associates (net)	701,203	158,067
Dividend income from joint ventures	(292,191)	(349,801)
	3,080,712	1,712,641

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

14. Property, Plant and Equipment

Cost	Land	Land improvements	Buildings	Machinery and equipments	Vehicles	Fixtures	Other fixed assets	Construction in progress	Total
Beginning of the period – 1 January	10,635,095	2,093,239	17,093,645	40,501,748	437,693	1,592,040	3,948,585	5,419,776	81,721,821
Reclassification (*)	-	124,075	(5,424)	(125,634)	7,048	-	(65)	-	-
Subsidiary acquisition effect	-	-	-	-	-	119	-	68,174	68,293
Currency translation differences	495,526	413,975	3,397,649	11,172,032	110,488	292,301	918,856	1,318,108	18,118,935
Additions	16,000	8,774	139,837	755,902	4,411	34,679	219,560	10,467,510	11,646,673
Disposals	-	(1,569)	(47,773)	(382,566)	(18,393)	(21,654)	(174,481)	(578,220)	(1,224,656)
Transfers from construction in progress	5,566	10,490	75,153	1,727,792	24,228	215,447	349,497	(2,519,840)	(111,667)
30 September 2023 closing balance	11,152,187	2,648,984	20,653,087	53,649,274	565,475	2,112,932	5,261,952	14,175,508	110,219,399
Accumulated depreciation and impairment									
Beginning of the period – 1 January	-	(907,712)	(377,799)	(22,717,874)	(292,204)	(939,381)	(1,906,348)	(14,848)	(27,156,166)
Reclassification (*)	-	(103)	(19,475)	21,578	(1,880)	-	(120)	-	-
Subsidiary acquisition effect	-	-	-	-	-	(3)	-	-	(3)
Currency translation differences	-	(137,978)	(213,631)	(6,207,339)	(95,973)	(174,089)	(278,357)	(25)	(7,107,392)
Charge for the period (**)	-	(176,649)	(666,260)	(2,500,816)	(31,500)	(96,850)	(343,304)	-	(3,815,379)
Provision for impairment	-	-	-	(70,927)	-	-	-	(534)	(71,461)
Disposals	-	1,276	-	332,123	17,181	3,629	77,362	-	431,571
30 September 2023 closing balance	-	(1,221,166)	(1,277,165)	(31,143,255)	(404,376)	(1,206,694)	(2,450,767)	(15,407)	(37,718,830)
Net Book Value as of September 30, 2023	11,152,187	1,427,818	19,375,922	22,506,019	161,099	906,238	2,811,185	14,160,101	72,500,569

(*) The Group has revised its tangible assets and made the relevant account classifications and netting, including those with expired economic life. These changes have no effect on profit/(loss).

(**) The allocation of period depreciation expense is given in Note 21 and Note 22.

The Group has no mortgage over lands and buildings due to bank borrowings, (January 1– December 31, 2022: None).

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

14. Property, Plant and Equipment (Continued)

Cost	Land	Land improvements	Buildings	Machinery and equipments	Vehicles	Fixtures	Other fixed assets	Construction in progress	Total
Beginning of the period – 1 January	3,783,910	1,333,627	10,226,590	30,395,064	264,017	1,210,038	2,792,895	2,357,958	52,364,099
Classifications (*)	2,829	-	36,442	-	-	-	-	-	39,271
Currency translation differences	244,098	453,001	3,087,420	8,358,541	80,647	178,458	892,421	564,936	13,859,522
Additions	4,775	13,039	44,219	212,337	30,907	23,899	227,936	4,212,521	4,769,633
Disposals	(57)	(757)	(7,216)	(330,289)	(573)	(43,349)	(45,197)	(468,128)	(895,566)
Transfers from construction in progress	-	67,612	262,806	1,177,445	10,021	87,535	205,901	(1,872,912)	(61,592)
Subsidiary acquisition effect	32,769	1,189	82,759	93,221	-	39,161	-	2,233	251,332
30 September 2022 closing balance	4,068,324	1,867,711	13,733,020	39,906,319	385,019	1,495,742	4,073,956	4,796,608	70,326,699
Accumulated depreciation and impairment									
Beginning of the period – 1 January	-	(647,386)	(73,185)	(16,203,082)	(211,007)	(781,901)	(1,314,884)	-	(19,231,445)
Classifications (*)	-	732	(38,259)	(1,924)	-	(64)	(58)	-	(39,573)
Currency translation differences	-	(236,430)	(117,903)	(4,547,554)	(56,364)	(128,534)	(479,713)	-	(5,566,498)
Charge for the period (**)	-	(74,362)	(430,713)	(2,120,547)	(15,883)	(76,898)	(263,501)	-	(2,981,904)
Disposals	-	732	307	306,382	571	34,076	26,041	-	368,109
30 September 2022 closing balance	-	(956,714)	(659,753)	(22,566,725)	(282,683)	(953,321)	(2,032,115)	-	(27,451,311)
Net Book Value as of 30 September 2022	4,068,324	910,997	13,073,267	17,339,594	102,336	542,421	2,041,841	4,796,608	42,875,388

(*) The Group has reassessed its tangible assets and has made related account classifications and netting including the assets which have been fully amortized, Amounts integrated with intangible assets are separated. Such changes do not have any effect on profit / (loss).

(**) The allocation of period depreciation expense is given in Note 21 and Note 22.

The Group has no mortgage over lands and buildings due to bank borrowings (January 1 - December 31, 2021: None).

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

15. Right-of-Use Assets

Cost	Land	Building	Machinery and equipments	Vehicles	Total
Beginning of the period – 1 January	22,598	329,919	797,505	259,238	1,409,260
Subsidiary acquisition effect	205,088	-	-	-	205,088
Reclassifications	(55)	55,424	61,007	18,801	135,177
Currency translation differences	92,470	56,136	465,425	23,725	637,756
Additions	-	70,495	785,824	20,715	877,034
Disposals (*)	(355)	(46,181)	(93,670)	(19,976)	(160,182)
30 September 2023 closing balance	319,746	465,793	2,016,091	302,503	3,104,133
Accumulated Amortization					
Beginning of the period – 1 January	(1,320)	(139,421)	(219,481)	(52,397)	(412,619)
Reclassifications	46	27,713	(21,145)	(13,876)	(7,262)
Currency translation differences	(512)	(18,843)	(111,465)	(11,436)	(142,256)
Charge for the period (**)	(276)	(83,746)	(229,623)	(71,721)	(385,366)
Disposals	225	24,655	93,495	16,987	135,362
30 September 2023 closing balance	(1,837)	(189,642)	(488,219)	(132,443)	(812,141)
Net Book Value as of 30 September 2023	317,909	276,151	1,527,872	170,060	2,291,992

(*) Disposals occurred due to the fact that termination of the lease transactions prior to the expected maturity.

(**) The allocation of period amortization expense is given in Note 21 and Note 22.

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15. Right-of-Use Assets (Continued)

Cost	Land	Building	Machinery and equipments	Vehicles	Total
Beginning of the period – 1 January	15,511	232,367	382,332	36,344	666,554
Reclassifications (*)	529	58,740	(4,960)	(992)	53,317
Currency translation differences	6,376	17,127	172,318	7,190	203,011
Revaluation (**)	-	(358)	25	(1,442)	(1,775)
Additions	-	16,234	223,966	139,547	379,747
Disposals (***)	(145)	(32,188)	(35,267)	(9,483)	(77,083)
30 September 2022 closing balance	22,271	291,922	738,414	171,164	1,223,771
Accumulated Amortization					
Beginning of the period – 1 January	(154)	(105,128)	(78,356)	(16,830)	(200,468)
Reclassifications (*)	(538)	(1,276)	31,014	2,473	31,673
Currency translation differences	(357)	(8,938)	(27,926)	(2,126)	(39,347)
Charge for the period (****)	(264)	(58,907)	(147,996)	(25,352)	(232,519)
Disposals	145	32,173	35,267	8,124	75,709
30 September 2022 closing balance	(1,168)	(142,076)	(187,997)	(33,711)	(364,952)
Net Book Value as of 30 September 2022	21,103	149,846	550,417	137,453	858,819

(*) The Group has made related account classifications and netting with respect to the assets without the right of use since the lease agreements are expired, such changes do not have any effect on profit / (loss).

(**) It expresses the changes in rent payments arising from the price increase/(decrease) depending on the index.

(***) The disposals occurred due to the termination of lease transactions before the expected maturity.

(****) The allocation of period amortization expense is given in Note 21 and Note 22.

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16. Intangible Assets

Cost	Rights	Mine assets	Mining Rights	Capitalized Development Cost	Other	Total
Beginning of the period -1 January	911,549	159,202	20,274,436	349,457	766,447	22,461,091
Currency translation differences	163,152	-	9,409,927	-	395,872	9,968,951
Transfers from construction in progress	57,888	49,000	-	-	4,779	111,667
Additions	5,485	-	-	1,583	204,080	211,148
Disposals	(356)	-	-	-	(401)	(757)
30 September 2023 closing amount	1,137,718	208,202	29,684,363	351,040	1,370,777	32,752,100
Accumulated amortization						
Beginning of the period -1 January	(678,944)	(30,028)	(377,168)	(224,232)	(220,138)	(1,530,510)
Currency translation differences	(157,600)	-	(252,802)	-	(106,157)	(516,559)
Period expenses (*)	(73,368)	(271)	(329,155)	(35,256)	(47,080)	(485,130)
Disposals	356	-	-	-	63	419
30 September 2023 closing amount	(909,556)	(30,299)	(959,125)	(259,488)	(373,312)	(2,531,780)
Net Book Value as of 30 September 2023	228,162	177,903	28,725,238	91,552	997,465	30,220,320

Cost	Rights	Mine assets	Mining Rights	Capitalized Development Cost	Other	Total
Beginning of the period -1 January	731,900	159,202	14,452,542	295,428	307,890	15,946,962
Subsidiary acquisition effect	-	-	-	-	178,909	178,909
Currency translation differences	(143,363)	-	5,628,521	-	104,209	5,589,367
Transfers from construction in progress	7,463	-	-	54,029	103	61,595
Additions	261,855	-	-	-	63,142	324,997
Disposals	(2,652)	-	-	-	(628)	(3,280)
30 September 2022 closing amount	855,203	159,202	20,081,063	349,457	653,625	22,098,550
Accumulated amortization						
Beginning of the period -1 January	(486,654)	(27,205)	-	(173,756)	(122,811)	(810,426)
Classification	-	-	-	-	302	302
Currency translation differences	(61,374)	-	(39,378)	-	(35,097)	(135,849)
Period expenses (*)	(76,388)	(3,242)	(238,612)	(37,552)	(39,055)	(394,849)
Disposals	2,216	-	-	-	628	2,844
30 September 2022 closing amount	(622,200)	(30,447)	(277,990)	(211,308)	(196,033)	(1,337,978)
Net Book Value as of 30 September 2022	233,003	128,755	19,803,073	138,149	457,592	20,760,572

(*) Allocation of amortisation expense is disclosed in Note 21 and Note 22.

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17. Goodwill

The movement of goodwill balance is as follows:

	30 September 2023	30 September 2022
Beginning of the period -1 January	812,391	639,201
Currency translation differences	430,505	163,610
Goodwill from the acquisition during period (Note 3)	171,851	-
	1,414,747	802,811

The detail of goodwill in terms of subsidiaries is as follows:

	30 September 2023	31 December 2022
Sisecam Flat Glass India Private Limited	887,931	608,440
Denmar US LLC (*)	240,786	-
Sisecam Automotive Romania SA	149,570	103,229
Cromital S.p.A.	68,396	46,967
Sisecam Automotive Germany GmbH	42,239	29,005
Oxyvit Kimya Sanayii ve Ticaret A.Ş.	10,862	10,862
OOO Ruscam Glass Packaging Holding	14,963	13,888
	1,414,747	812,391

(*) Goodwill from the acquisition during period is equal to TL 171,851 thousand. Current period currency translation differences amounting to TL 68,935 thousand are shown in foreign currency translation differences in the movement of goodwill within the period.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

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18. Provisions, Contingent Assets and Liabilities

The Group has been defendant and plaintiff of various cases within the ordinary operations during the period. As of 30 September 2023, according to the opinions of independent legal and tax advisors, apart from the cases for which provision amounting to TRY 91,275 thousand (31 December 2022: TRY 87,523 thousand) have been allocated. The Group considers the possibility of incurring loss from the cases as low.

Lawsuits filed against the Company are related to more than one issue, but a significant part of them are labor law cases and lawsuits filed by the Competition Authority.

Collaterals pledges and mortgages ("CPM") given by the Company as of 30 September 2023 and 31 December 2022 are as follows:

The CPMs given by the Company	30 September 2023					TRY and TRY equivalent of other Currencies
	TRY Equivalents	USD	EUR	RUB		
A. CPM's given in the behalf of own company	800,328	408	1,162	-	755,344	
B. CPM's given on behalf of the fully consolidated subsidiaries	12,215,782	30,000	267,107	5,000,000	2,208,633	
C. CPM's given on behalf of third parties or ordinary course of business	-	-	-	-	-	
D. Total amount of other CPM's given	-	-	-	-	-	
i. Total amount of CPM's given on behalf of the parent	-	-	-	-	-	
ii. Total amount of CPM's given on behalf of the group companies- which are not in scope of B and C	-	-	-	-	-	
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-	-	
Total	13,016,110	30,408	268,269	5,000,000	2,963,977	

Percentage of other CPM's given by the Company to the Company's equity is nil as of 30 September 2023.

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18. Provisions, Contingent Assets and Liabilities (Continued)

The CPMs given by the Company	31 December 2022				
	TRY Equivalents	USD	EUR	RUB	TRY and TRY equivalent of other Currencies
A. CPM's given in the behalf of own company	653,626	7,276	693	-	503,492
B. CPM's given on behalf of the fully consolidated subsidiaries	26,308,854	101,538	936,124	9,168,820	3,301,400
C. CPM's given on behalf of third parties or ordinary course of business	-	-	-	-	-
D. Total amount of other CPM's given	-	-	-	-	-
i. Total amount of CPM's given on behalf of the parent	-	-	-	-	-
ii. Total amount of CPM's given on behalf of the group companies which are not in scope of B and C	-	-	-	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total	26,962,480	108,814	936,817	9,168,820	3,804,892

The percentage of other CPM's given by the Company to the Company's equity is nil as of 31 December 2022.

Short-term provisions

	30 September 2023	31 December 2022
Provisions of cost	1,205,199	778,063
Turnover premium provision	629,131	135,858
Litigation provisions	91,725	88,157
Provisions for employee benefits (Note 19)	175,134	104,952
Other short-term provisions	28,059	31,296
	2,129,248	1,138,326

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

19. Employee Benefits

Short-term provisions and short-term employee benefits

	30 September 2023	31 December 2022
Due to personnel	739,543	553,155

	30 September 2023	31 December 2022
Short term provisions for employee benefits		
Unused vacation provision	142,544	82,693
Pension funds	32,590	22,259
	175,134	104,952

Long term provisions for employment benefits

	30 September 2023	31 December 2022
Long term provisions for employee benefits		
Provisions for severance pay	2,259,477	2,292,225
Pension funds	962,212	618,893
Environmental rehabilitation provision	1,140,979	799,594
	4,362,668	3,710,712

The Group's defined benefit plans include plan benefits for its employees. In this context, the Group determines its liabilities with the calculations of the actuaries.

The movement of the employment termination benefits is as follows:

	30 September 2023	30 September 2022
Beginning of the period - 1 January	2,292,225	890,570
Service costs	122,921	480,183
Interest costs	319,724	95,480
Currency translation differences	47,531	15,099
Payments made during the period	(522,210)	(55,542)
Actuarial Loss/(Gain)	(714)	(40,115)
Subsidiary acquisition effect	-	10,777
	2,259,477	1,396,452

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

19. Employee benefits (continued)

The domestic and international distribution of provisions for severance pay is as follows:

	30 September 2023	31 December 2022
Domestic	2,110,428	2,191,778
Foreign	149,049	100,447
	2,259,477	2,292,225

20. Capital, Reserves and Other Equity Items

Equity components, "Paid-in Share Capital", "Restricted Reserves" and "Share Premiums" are accounted as legal reserves in accordance with related Article of the Turkish Commercial Code and are presented with in the statutory financial statements. The differences, that are recognized through the valuation made in accordance with CMB Reporting Standards and cannot be subject to dividend distribution or capital increase as of reporting date (such as inflation adjustment differences) and relevant to the paid-in share capital, are associated with "Adjustments to Share Capital" which is under paid-in share capital and the differences resulting from the "Restricted Reserves" and "Share Premiums" are associated with "Retained Earnings".

a) Paid in Capital / Adjustment to Share Capital

The issued capital of the Company is TRY 3,063,214,056.17, each of this capital is divided into shares with a nominal value of Kr 1 (One Kurus).

All the shares of the company are registered. The company cannot issue bearer shares, except for those that will be issued to be traded on the stock exchange. It shall be monitored within the framework of dematerialization principles shares representing the capital, there are no privileges granted to share groups and there is no restriction.

	30 September 2023	31 December 2022
The limit of registered capital	5,000,000	5,000,000
Approved paid-in capital	3,063,214	3,063,214

Shareholders	30 September 2023		31 December 2022	
	Amount TRY	Share (%)	Amount TRY	Share (%)
Türkiye İş Bankası A.Ş.	1,563,976	51.06	1,563,976	51.06
Efes Holding A.Ş.	203,594	6.65	185,094	6.04
Anadolu Hayat Emeklilik A.Ş.	1,411	0.05	1,411	0.05
Bought Back Shares	46,379	1.51	51,749	1.69
Other (*)	1,247,854	40.73	1,260,984	41.16
Nominal capital	3,063,214	100.00	3,063,214	100.00
Adjustment to share capital	320,075		320,075	
Total share capital	3,383,289		3,383,289	

(*) Refers to the other publicly traded part of the Company.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

20. Capital, Reserves and Other Equity Items (Continued)

b) Repurchased Shares

Within the scope of the buyback program, initiated based on the Board of Directors decision dated February 26, 2021, allowing the Company to buy back its shares up to 4,90% of the issued capital with a total fund of TRY 1,200,000,000. Şişecam has repurchased 8,545,076,900 shares with the nominal value of TRY 85,450,769. The funds used for share repurchases have reached 99% of the maximum amount allocated for this buyback program.

Pursuant to the Capital Markets Board's announcements dated 21.07.2016 and 25.07.2016, in addition to the buyback program in effect, on June 30 2022 the Board of Directors has taken the following decisions for the purpose of repurchasing the Company's own shares from the stock market;

- To initiate a new buyback program, in addition to the existing program, for the repurchase of maximum 15,000,000,000 shares with the nominal value of TRY 150,000,000, corresponding to 4,90% of the Company's issued capital.
- To determine the maximum amount of funds to be allocated for the new share buyback program as TRY 3,000,000,000, and to finance respective share repurchases from the Company's internal resources.
- To submit the share buyback program to the shareholders' approval at the upcoming General Assembly Meeting.

Share buyback program was discussed and accepted at the Ordinary General Assembly meeting dated March 29, 2023.

Within the scope of the decision taken, the shares with a nominal value of 113,379 thousand, which corresponds to 3.70% of the company's capital, were bought back by paying a total amount of TRY 2,068,804 thousand, including the transaction costs, based on the transactions whose clearing was completed as of 30 September 2023 (31 December 2022: TRY 101,749 thousand).

50,000,000 of the repurchased shares were sold to foreign institutional investors with the block sale method on Borsa Istanbul, at a price of 36.96 TL as dated 29 November 2022, As of 30 September 2023, 17,000,000 lots of the repurchased shares were sold to Efes Holding A.Ş., on 10 May 2023, using the block sale method on Borsa Istanbul at a price of 35.00 TL.

c) Retain Earnings

The amount of extraordinary reserves of the parent company, which is included in the consolidated retained earnings of TL 36,004,259 (31 December 2022: TRY 19,306,383) thousand, is TL 21,123,079 (31 December 2022: TRY 13,496,261) thousand as of 30 September 2023.

Dividends Distribution

Dividends are distributed according to Communiqué Serial: II-19,1 on "Principles Regarding Distribution of Interim Dividends for quoted entities subject to Capital Market Board Law" principles on corporate articles and dividend distribution policy which is declared by Companies, In addition to the CMB, it is stipulated that companies which have the obligation to prepare consolidated financial statements, calculate the net distributable profit amount by taking into account the net profits for the period in the consolidated financial statements, that will be prepared and announced to the public in accordance with the Communiqué II-14,1 as long as sufficient reserve exist in the unconsolidated statutory books.

In publicly traded companies, dividends are distributed equally to all existing shares as of the date of distribution, regardless of their date of issue and acquisition.

At the Shareholders Ordinary General Assembly Meeting of the Company held on March 29, 2023, the gross dividend amounting to TL 2,100,000 thousand, corresponding to 68,55544% of the current issued capital, will be distributed in cash, and income tax on the cash dividend to the shareholders who are subject to profit share withholding, After withholding tax, it has been decided to pay the net cash dividend payment date as 31 May 2023.

As of June 30, 2023, the Company bought back shares with a nominal value of TL 42,292 thousand from the Borsa Istanbul Equity Market within the framework of the share buyback program. Therefore, 28,993 thousand Turkish liras of the 2,100,000 thousand Turkish lira profit distribution decided to be distributed remained within the company. As of 30 June 2023, dividend payment of 2,071,007 thousand Turkish Liras to the shareholders outside the Company was made on 2 June 2023.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

21. Revenue and Cost of Sales

	1 January- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2023	1 July- 30 September 2022
Revenue				
Revenue	100,188,127	68,650,652	38,612,031	26,970,759
Other income	70,305	43,710	7,278	16,669
Sales discounts	(4,542,805)	(2,192,227)	(1,735,058)	(862,321)
Sales returns	(200,651)	(99,989)	(72,986)	(35,241)
Other sales discounts	(674,627)	(122,697)	(404,948)	(42,894)
	94,840,349	66,279,449	36,406,317	26,046,972
Cost of Sales				
Direct materials	(24,576,412)	(18,934,682)	(9,036,106)	(7,724,544)
Direct labor	(5,036,139)	(3,035,191)	(1,939,245)	(1,218,223)
Production overheads	(18,766,598)	(14,330,614)	(6,140,906)	(5,502,026)
Amortization and depreciation	(3,943,784)	(3,072,748)	(1,432,107)	(1,206,291)
Change in work-in progress inventories	240,541	242,941	13,441	22,701
Change in finished goods inventories	2,725,933	4,584,027	(373,294)	1,762,390
Cost of goods sold	(49,356,459)	(34,546,267)	(18,908,217)	(13,865,993)
Cost of merchandise sold	(12,926,694)	(6,688,403)	(4,363,364)	(2,423,390)
Cost of services rendered (*)	(120,864)	(35,872)	(41,029)	(14,617)
Other costs	(46,811)	(51,621)	(26,702)	(73,367)
	(62,450,828)	(41,322,163)	(23,339,312)	(16,377,367)

(*) Depreciation and amortization expenses recognized in the cost of service rendered during the period between 1 January – 30 September 2023 is amounting to TRY 12,146 thousand (1 January – 30 September 2022: TRY 2,565 thousand),

Revenues divided into geographical segments with respect of the customers location is shown below:

	1 January- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2023	1 July- 30 September 2022
Net sales				
Turkey	37,942,890	24,691,992	14,365,122	9,411,257
Europe	24,838,492	18,583,588	10,176,659	7,249,330
Russia, Ukraine and Georgia	8,236,574	6,415,942	3,346,477	2,916,879
America	10,482,780	10,320,317	4,148,062	4,237,157
Other	13,339,613	6,267,610	4,369,997	2,232,349
	94,840,349	66,279,449	36,406,317	26,046,972

The Group does not have any significant remaining performance obligations related to the ongoing noncancellable agreements.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

22. General Administrative Expenses, Marketing Expenses, Research and Development Expenses and Expenses by Nature

	1 January- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2023	1 July- 30 September 2022
General administrative expenses	(5,603,962)	(3,266,096)	(2,140,274)	(1,372,518)
Marketing expenses	(12,855,147)	(9,420,895)	(5,146,679)	(3,928,210)
Research and development expenses	(257,365)	(158,706)	(99,017)	(71,338)
	(18,716,474)	(12,845,697)	(7,385,970)	(5,372,066)
	1 January- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2023	1 July- 30 September 2022
Indirect material costs	(148,879)	(127,265)	(37,762)	(46,214)
Salaries and wages expenses	(3,629,909)	(1,868,917)	(1,375,857)	(783,674)
Outsourced service	(10,903,965)	(7,857,364)	(4,412,612)	(3,290,245)
Other expenses	(3,303,776)	(2,455,627)	(1,268,024)	(1,045,611)
Amortization and depreciation expenses	(729,945)	(536,524)	(291,715)	(206,322)
	(18,716,474)	(12,845,697)	(7,385,970)	(5,372,066)

23. Other Operating Income and Expenses

	1 January- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2023	1 July- 30 September 2022
Other operating income				
Foreign currency exchange gains	7,085,896	2,895,727	1,801,955	120,791
Government grants	356,860	50,362	93,103	25,244
Term difference interest income	380,182	246,487	192,178	97,167
Gain on sale of scraps	115,513	118,757	46,377	16,374
Gain on sale of raw materials	363,734	210,798	174,762	75,108
Provisions no longer required	50,339	19,465	18,460	(16,316)
Insurance claim income	144,310	58,693	122,840	24,207
Commission income	1,479	4,434	609	1,826
Other operating incomes	784,190	465,411	30,549	386,817
	9,282,503	4,070,134	2,480,833	731,218
	1 January- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2023	1 July- 30 September 2022
Other operating expense				
Foreign currency exchange loss	(5,313,739)	(1,941,049)	(1,578,597)	14,909
Donations (*)	(224,596)	(6,002)	-	(991)
Loss on sale of scrap	(106,575)	(126,586)	(62,885)	(57,338)
Loss on sale of raw materials	(521,522)	(184,509)	(333,714)	(73,260)
Term difference interest expense	(383,636)	(81,717)	(285,677)	(26,322)
Provision expenses	(53,239)	(33,400)	-	66,780
Government right – mining fund	(34,935)	(1,945)	(16,017)	(30)
Commission expense	(180,078)	(7,757)	(139,004)	(6,608)
Other operating expenses	(446,167)	(259,216)	(34,787)	77,252
	(7,264,487)	(2,642,181)	(2,450,681)	(5,608)

(*) Includes donations made to the relevant institutions regarding the earthquake disaster that occurred on February 6, 2023 and affected many of our eastern provinces.

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

24. Income and Expense from Investing Activities

	1 January- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2023	1 July- 30 September 2022
Income from Investing Activities				
Valuation gain of held to maturity financial assets	1,280,931	1,549,550	374,486	347,806
Currency protected deposit interest and foreign exchange difference income	1,223,588	-	625,727	-
Gain on sale of property, plant and equipment	64,512	9,609	21,507	5,814
Bargain on purchase gain	-	62,516	-	2,305
	2,569,031	1,621,675	1,021,720	355,925

	1 January- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2023	1 July- 30 September 2022
Expense from Investing Activities				
Valuation difference of held to maturity financial assets	(250,301)	(468,680)	(199,408)	7,065
Loss on sale of property, plant and equipment	(64,255)	(19,979)	(55,510)	(3,815)
Tangible asset revaluation impairment (Note 14)	(71,461)	-	(7,855)	-
	(386,017)	(488,659)	(262,773)	3,250

Impairment gain (loss) and reversal of impairment loss determined in accordance with TFRS 9:

	1 January- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2023	1 July- 30 September 2022
Impairment loss/reversals				
Impairment/reversal of financial investment (net)	7,706	(29,093)	8,613	(20,284)
Impairment/reversal of cash and equivalents (net)	21,328	(27,985)	(4,599)	(20,145)
	29,034	(57,078)	4,014	(40,429)

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25. Financial Income and Expenses

	1 January- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2023	1 July- 30 September 2022
Financial Income				
Foreign exchange gain	9,100,285	7,455,602	2,708,562	2,291,045
- Cash and cash equivalents	3,390,663	5,135,776	1,136,140	1,912,563
- Derivative instruments	287,502	1,349,483	177,384	105,016
- Bonds issued	2,001,048	516,040	418,884	138,428
- Bank Loans	364,211	158,432	134,674	75,955
- Non trade receivable and payables	3,056,861	295,871	841,480	59,083
Interest Income	1,653,305	2,069,219	584,061	1,133,414
- Derivative instruments	723,774	1,550,195	307,322	931,647
- Time Deposits	708,623	445,213	267,815	131,949
- Others	220,908	73,811	8,924	69,818
	10,753,590	9,524,821	3,292,623	3,424,459

	1 January- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2023	1 July- 30 September 2022
Financial Expense				
Foreign exchange loss	(7,235,382)	(6,665,750)	(2,064,873)	(1,759,135)
- Bonds issued	(5,174,358)	(4,155,410)	(986,970)	(1,440,918)
- Cash and cash equivalents	(1,046,998)	(1,277,273)	(750,553)	(209,296)
- Bank loans	(504,122)	(824,251)	(126,566)	(46,890)
- Leasing expenses	(47,516)	(6,000)	(18,606)	(1,280)
- Derivative instruments	(47,866)	(106,445)	47,407	(45,654)
- Non trade receivable and payables	(414,522)	(296,371)	(229,585)	(15,097)
Interest Expense	(4,319,100)	(2,946,345)	(1,721,846)	(1,463,227)
- Bank Loans	(1,745,751)	(1,126,782)	(781,139)	(490,848)
- Bonds issued	(2,049,450)	(669,848)	(676,645)	(266,265)
- Derivative instruments	(237,617)	(1,020,154)	(151,297)	(637,549)
- Leasing expenses	(125,879)	(59,932)	(48,132)	(37,186)
- Other	(160,403)	(69,629)	(64,633)	(31,379)
	(11,554,482)	(9,612,095)	(3,786,719)	(3,222,362)

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26. Taxes on Income (Including Deferred Tax Assets and Liabilities)

Deferred Tax Assets and Liabilities

The Group recognizes deferred tax assets and liabilities based upon the temporary differences between financial statements as reported in accordance with TAS and its tax base of statutory financial statements. These differences usually result in the recognition of income and expense items in different periods for CMB and statutory tax purposes.

Turkish Tax Legislation does not permit a parent company, its subsidiaries and joint ventures to prepare a consolidated tax return, therefore, tax provisions have been reflected in these consolidated financial statements which have been calculated on a separate entity basis, in this respect deferred tax assets and liabilities of consolidated entities in the accompanying consolidated financial statements are not offset.

	30 September 2023	31 December 2022
Deferred tax assets	1,779,398	1,563,776
Deferred tax liabilities (-)	(1,487,978)	(833,524)
Deferred tax assets (net)	291,420	730,252
	30 September 2023	31 December 2022
Temporary differences		
Useful life and valuation differences on tangible and intangible assets	13,642,432	11,798,790
Valuation of investment property	5,151,220	5,151,220
Derivative financial valuation	1,219,548	839,155
Revaluation of inventory	(1,252,673)	(877,775)
Employment termination benefits	(2,194,578)	(2,065,209)
Carry forward tax losses	(4,559,072)	(4,495,703)
Corporate tax allowances	(10,330,887)	(6,344,975)
Other	(803,245)	(1,206,370)
	872,745	2,799,133
	30 September 2023	31 December 2022
Deferred tax assets/ (liabilities)		
Useful life and valuation differences on tangible and intangible assets	(2,766,233)	(1,470,694)
Valuation of investment property	(965,854)	(680,028)
Derivative instruments	(304,887)	(167,831)
Revaluation of inventory	272,205	166,465
Employment termination benefits	540,991	410,898
Carry forward tax losses	672,808	907,895
Corporate tax allowances	2,582,722	1,268,995
Other	259,668	294,552
	291,420	730,252

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

26. Taxes on Income (Including Deferred Tax Assets and Liabilities) (Continued)

Deferred Tax Assets and Liabilities (Continued)

The maturity of carry forward tax losses are as follows:

	30 September 2023	31 December 2022
Within one year	87,917	60,677
Within two years	47,165	32,527
Within three years	12,267	8,467
Within four years	183,939	1,553,572
Within five years	659,702	236,430
Within six years	142,496	98,348
Within seven years	213,187	104,473
Within eight years	116,664	-
Within ten years	779,952	-
Indefinite life	2,315,783	2,401,209
	4,559,072	4,495,703

Carry forward tax losses can be carried for maximum 5 years in Turkey, Hungary, Slovakia, Egypt, and China; 7 years in Romania; indefinite in Russia and Ukraine, to be deducted from the taxable profits that will occur in the coming years (In Russia it has been indefinite since 30 November 2016). However, loss cannot be deducted retrospectively from retained earnings.

The amount of carry forward tax losses that are not subject to deferred tax calculation is TRY 1,700,903 thousand (31 December 2022: TRY 2,158,556 thousand).

The movements of deferred tax assets and liabilities are as follows:

	30 September 2023	30 September 2022
Beginning of the period -1 January	730,252	540,073
Currency translation differences	109,733	341,515
Recognized in equity	863,742	(178,011)
Recognized in statement of profit or loss	(1,412,307)	1,218,109
Subsidiary acquisition effect	-	(56,207)
	291,420	1,865,479

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26. Taxes on Income (Including Deferred Tax Assets and Liabilities) (Continued)

Corporate Tax

The Group is subject to Turkish corporate taxes, Tax legislation in Turkey does not permit a parent company and its subsidiaries to file a consolidated tax return, Therefore, provisions for taxes as reflected in the accompanying consolidated financial statements are calculated on a separate-entity basis,

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting the revenues exempted from tax, non-taxable revenues, and other discounts (if any previous year losses, if preferred investment allowances and also R&D center incentive) are deducted,

In Turkey, applied corporate tax rate is 25% as of 30 September 2023 (31 December 2022: 23%),

The principal tax rates (%) using to calculate deferred taxes for each country are as follows:

Country	30 September 2023	31 December 2022
Germany (*)	31.4	31.4
USA	31.4	31.4
Bosnia-Herzegovina	10.0	10.0
Bulgaria	10.0	10.0
China (**)	15.0-25.0	15.0-25.0
India	34.944	34.944
Georgia (***)	-	-
The Netherlands (****)	15.0-25.8	15.5-25.8
Spain	25.0	25.0
Italy	24.0	27.9
Hungary	9.0	9.0
Egypt	22.5	22.5
Romania	16.0	16.0
Russia (*****)	2.0-20.0	2.0-20.0
Slovakia	21.0	21.0
Ukraine	18.0	18.0

(*) There is a progressive tax rate.

(**) 15% of tax rate for the profit up to CNY 300,000 and 25% of tax rate for the exceeding portion are applied in China.

(***) Corporate tax has been abolished in Georgia and tax is collected only from distributed dividend, Thus, deferred tax amount is decreased to nil.

(****) 15,0% of tax rate for the profit up to EUR 200,000 and 25,8% of tax rate for the exceeding portion are applied in Netherlands.

(*****) The general tax rate in Russia is 20%, of which 18% is allocated to the "Regional Budget" and 2% to the "General Budget", Since Our subsidiaries in Russia's Tatarstan region have been located in Special Economic Zone, they pay 2% tax for the profits from their main operations and pay 20% tax for the profits from the non-core operating income.

In the deferred tax calculation for the period from January 1 to September 30, 2023; in the measurement heading of TMS-12 "Income Taxes" standard included "deferred tax assets" or debts effective at the end of the reporting period or assets are converted into income based on tax rates (and tax laws) that are nearly certain to come into force or is calculated using tax rates expected to be applied in the periods when debts are paid according to the verdict, the rate of 25% has been taken into account in the deferred tax calculation of the Company and its subsidiaries in Turkey.

There is no definitive and strict reconciliation procedure regarding tax assessment in Turkey. Companies prepare their tax returns between 1-25 April of the year following the accounting closing period of the relevant year (between 1-25th of the fourth month following the closing of the period for those with a special accounting period). These declarations and the accounting records that are the basis for this can be reviewed by the Tax Office within 5 years and the corporate tax that the company must pay can be changed.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

26. Taxes on Income (Including Deferred Tax Assets and Liabilities) (Continued)

Income Tax Withholding

	30 September 2023	31 December 2022
Corporate tax provision (*)	1,739,851	1,605,388
Prepaid taxes and funds (-)	(1,254,540)	(1,522,691)
Tax provision in the statement of the financial position	485,311	82,697

(*)Within the scope of the Law No, 7440 on the Restructuring of Certain Receivables and Amendments to Certain Laws published on 12 March 2023, the discount and exemption amounts benefited from the Corporate Tax Declaration of 2022 in accordance with the Corporate Tax Law and other laws, and the discounted institutions in accordance with Article 32/A of the Corporate Tax Law It has been reported that an additional tax of 10% will be charged over the tax base. In this context, the additional tax provision was calculated as TL 919,907 thousand and was paid in two installments in May and June. The remaining amount includes the corporate tax provision calculated based on 2023 profit.

Tax Advantages Obtained Under the Investment Incentive System

Earning of the Group that are derived from investment linked to an investment incentive certificate are subject to corporate tax at discounted rates for a certain period, which starts when the investment starts to partly or fully operate, and ends when the maximum investment contribution amount is reached. Within this scope, the Group has accounted for TRY 2,582,722 (December 31, 2022: TRY 1,268,995) of tax advantages as deferred tax assets which are expected to be recovered in the foreseeable future in the consolidated financial statements as of September 30, 2023 TRY 1,313,727 of deferred tax income is recognized in the consolidated profit or loss statement for the between January 1 – September 30, 2023 from accounting of such deferred tax assets. The contribution amount between January 1 – September 30, 2023 benefited from the gain from investment is 56,502 TRY.

Deferred tax assets are recognized for deductible temporary differences, carry forward tax losses and indefinite life investment incentives which allow payment of corporate tax at discounted rates, as long as it is probable that sufficient taxable income will be generated in the future. In this context, the Group recognizes deferred tax assets from investment incentives based on long-term plans, including taxable profit projections derived from business models, which are re-evaluated at each balance sheet date to assess recoverability of such deferred tax assets. The Group expects to recover such deferred tax assets within 5 years from the balance sheet date.

In the sensitivity analysis performed as of September 30, 2023 when the inputs of the key macroeconomic and sectoral assumptions that from the business plan are increased/decreased by 10%, there is no change in the projected 5 year recovery periods of deferred tax assets related to investment incentives.

27. Earnings per share

	1 January- 30 September 2023	1 January- 30 September 2022
Earnings per share		
Average number of shares existing during the period (1/1000 value)	2,900,137	2,977,769
Net profit for the period attributable to equity holders of the parent	13,359,946	13,649,921
Earnings per share	4.6067	4.5839
Total comprehensive income attributable to equity holders of the parent	20,087,476	22,182,794
Earnings per share obtained from total comprehensive income	6.9264	7.4495

In the Group, there is no debt instruments that can be converted into shares, In all Group companies, each share has equal rights to both voting rights and dividends.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

28. Related Party Disclosures

The main shareholder of the Group is Türkiye İş Bankası A.Ş. Since the transactions between the Company and its consolidated subsidiaries are eliminated during consolidation, they are not disclosed in this note,

As of 30 September 2023, the full list of the relationship level of companies which are specified as related parties is grouped in alphabetical order as follows:

The shareholder of parent

Company's name	Registered Country
Türkiye İş Bankası A.Ş. Mensupları Munzam Sosyal Güvenlik Ve Yardımlaşma Vakfı	Turkey

Parent company

Company's name	Registered Country
Türkiye İş Bankası A.Ş.	Turkey

Parent company's subsidiaries, joint ventures and associates

Company's name	Registered Country
Anadolu Anonim Türk Sigorta A.Ş.	Turkey
Anadolu Hayat Emeklilik Sigorta A.Ş.	Turkey
Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş.	Turkey
İş Factoring Finansman Hizmetleri A.Ş.	Turkey
İş Finansal Kiralama A.Ş.	Turkey
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	Turkey
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	Turkey
İş Merkezleri Yönetim ve İşletim A.Ş.	Turkey
İş Net Elektronik Bilgi Üretim Dağıtım Ticaret ve İletişim Hizmetleri A.Ş.	Turkey
İş Portföy Yönetimi A.Ş.	Turkey
İş Yatırım Menkul Değerler A.Ş.	Turkey
İş Yatırım Ortaklığı A.Ş.	Turkey
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	Turkey
Kültür Yayınları İş-Türk Ltd. Şti.	Turkey
Milli Reasürans T.A.Ş.	Turkey
Mipaş Mümessillik İth. İhr. ve Paz. A.Ş.	Turkey
Moka Ödeme ve Elektronik Para Kuruluşu A.Ş.	Turkey
Topkapı Danışmanlık Elektronik Hizmetler Pazarlama ve Ticaret A.Ş.	Turkey
Topkapı Yatırım Holding A.Ş.	Turkey
Trakya Yatırım Holding A.Ş.	Turkey
TSKB Gayrimenkul Değerleme A.Ş.	Turkey
TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.	Turkey
Türkiye Sınai Kalkınma Bankası A.Ş.	Turkey
Yatırım Finansman Menkul Değerler A.Ş.	Turkey
JSC İşbank	Rusya
İşbank AG	Germany

Joint Ventures

Company name	Registered Country
Rudnik Krechnjaka Vijenac D.O.O.	Bosnia-Herzegovina

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

28. Related Party Disclosures (Continued)

Joint Activity

<u>Company name</u>	<u>Registered Country</u>
Pacific Soda LLC	USA
Stockton Soda Ash Port LLC	USA

Partner of Joint Activity

<u>Company's name</u>	<u>Registered Country</u>
Imperial Natural Resources Trona Mining Inc,	USA
Denmar Holdings LLC	USA

Joint Ventures'

<u>Company's name</u>	<u>Registered Country</u>
Saint Gobain Glass Egypt S.A.E.	Egypt
Solvay Sisecam Holding AG	Austria

Partner of Joint Ventures

<u>Company's name</u>	<u>Registered Country</u>
Saint Gobain Glass France S,A,	France
Société Financière D'Administration Et De Gestion SAS (SOFIAG)	Belgium

Available for sale investment

<u>Company's name</u>	<u>Registered Country</u>
Bosen Enerji Elektrik üret. Oto Pro. Grb. A.Ş.	Turkey
7C Basalia Global AG	Switzerland

Details of the transactions between the Group and the related parties mentioned above are explained below,

Deposit and loans regarding related parties:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Deposits held on related parties		
Türkiye İş Bankası A.Ş.		
- Time Deposit	11,452,589	11,396,641
- Demand deposit	1,150,749	1,218,934
	12,603,338	12,615,575
İşbank AG		
- Time Deposit	-	8,158
- Demand deposits	40,988	43
	40,988	8,201
	12,644,326	12,623,776

	<u>30 September 2023</u>	<u>31 December 2022</u>
Provision for impairment of deposits held at related parties		
Türkiye İş Bankası A.Ş.	24,859	46,196

	<u>30 September 2023</u>	<u>31 December 2022</u>
Loans received from related parties		
Türkiye İş Bankası A.Ş. and İşbank AG	8,052,948	3,126,000

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

28. Related Party Disclosures (Continued)

	30 September 2023	31 December 2022
Fair value of derivative transactions with related parties		
Türkiye İş Bankası A.Ş.	-	7,398
Currency protected deposits with related parties		
Türkiye İş Bankası A.Ş.	6,854,934	1,500,000
Other current assets to related parties		
İş Portföy Yönetimi A.Ş.	971,662	4,350,443
Carrying value of financial investments measured at amortized cost:		
Financial investments measured at amortized cost – Gross value		
Türkiye İş Bankası A.Ş.	33,703	22,666
Impairment of financial investments measured at amortized cost		
Türkiye İş Bankası A.Ş.	333	990

Coupon interest rates and nominal values of financial investments measured at amortized cost are as follows:

Bond issuer	ISIN code	Coupon Interest Rate (%)	30 September 2023 Nominal Amount (thousand USD)	31 December 2022 Nominal Amount (thousand USD)
Türkiye İş Bankası A.Ş.	XS1578203462	6.125	1,200	1,200
Türkiye İş Bankası A.Ş.	XS1508390090	5.500	-	34,200
			1,200	35,400

Due from related parties:

	30 September 2023	31 December 2022
Trade receivables from related parties		
Saint Gobain Glass Egypt S.A.E.	79,502	10,087
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	9,202	12,692
İş Merkezleri Yönetim ve İşletim A.Ş.	10,787	19,900
Solvay Sisecam Holding AG	6,344	13,670
Türkiye İş Bankası A.Ş. ve İşbank AG	98	6,470
Fabrika Cementa Lukavac D.D. (FCL)	28	415
İş Yatırım Menkul Değerler A.Ş.	-	-
Moka Ödeme ve Elektronik Para Kuruluşu A.Ş.	-	-
	105,961	63,234
Other receivables from related parties		
Saint Gobain Glass Egypt S.A.E (*)	171,807	-
Solvay Şişecam Holding AG (*)	180,539	-
	352,346	-

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

28. Related Party Disclosures (Continued)

	30 September 2023	31 December 2022
Trade payables to related parties		
Solvay Sisecam Holding AG	374,790	184,873
Anadolu Anonim Türk Sigorta Şirketi	30,275	13,450
Rudnik Krecnjaka Vijenac D.O.O	12,951	6,477
Saint Gobain Glass France S.A.	2,399	-
İş Merkezleri Yönetim ve İşletim A.Ş.	2,171	7,364
Türkiye İş Bankası A.Ş. Mensupları Munzam Sosyal Güvenlik Ve Yardımlaşma Vakfı	347	815
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	336	536
Kanyon Yönetim İşletim ve Pazarlama Ltd, Şti,	42	67
Kültür Yayınları İş-Türk Ltd, Şti,	40	-
Türkiye İş Bankası A.Ş.,	-	57
İş Portföy Yönetimi A.Ş.	-	27
İş Net Elektronik Bilgi Üretim Dağ, Tic. ve İlet, Hiz, A.Ş.	-	23
Saint Gobain Glass Egypt S.A.E.	-	2,674
	423,351	216,363
Income and expenses from/ to related parties:		
	1 January- 30 September 2023	1 January- 30 September 2022
Interest income from related parties		
Türkiye İş Bankası A.Ş. and İşbank AG	122,631	245,747
	122,631	245,747
	1 January- 30 September 2023	1 January- 30 September 2022
Interest expenses to related parties		
Türkiye İş Bankası A.Ş. and İşbank AG	76,314	102,128
	76,314	102,128
	1 January- 30 September 2023	1 January- 30 September 2022
Valuation gain of held to maturity financial assets		
Türkiye İş Bankası A.Ş.	661,837	59,547
	661,837	59,547

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

28. Related Party Disclosures (Continued)

Income and expenses from/ to related parties (Continued):

	1 January- 30 September 2023	1 January- 30 September 2022
Other income from related parties		
Solvay Sisecam Holding AG	18,779	6,933
Rudnik Krencjaka Vijenac D.O.O.	1,828	987
Fabrika Cementa Lukavac D.D.	1,554	668
Türkiye İş Bankası A.Ş. ve İşbank AG	-	16
İş Merkezleri Yönetim ve İşletim A.Ş.	-	718
	22,161	9,322

	1 January- 30 September 2023	1 January- 30 September 2022
Other expenses to related parties		
Solvay Sisecam Holding AG ⁽¹⁾	1,402,351	683,045
Rudnik Krencjaka Vijenac D.O.O. ⁽²⁾	63,193	35,441
İş Merkezleri Yönetim ve İşletim A.Ş. ⁽³⁾	53,126	27,011
Moka Ödeme ve Elektronik Para Kuruluşu A.Ş.	158,728	-
Anadolu Anonim Türk Sigorta Şirketi	9,301	6,643
Saint Gobain Glass France S.A.	14,029	4,246
Türkiye İş Bankası A.Ş. Mensupları Munzam Sosyal Güv. ve Yard. Vakfı	8,196	5,247
Türkiye İş Bankası A.Ş. ve İşbank AG	7,957	532
İş Gayrimenkul Yatırım Ortaklığı A.Ş. ⁽⁴⁾	2,396	1,494
İş Yatırım Menkul Değerler A.Ş.	1,355	5,819
İş Net Elektronik Bilgi Üretim Dağ. Tic. Ve İlet. Hiz. A.Ş.	-	855
Anadolu Hayat Emeklilik Sigorta A.Ş.	1,501	483
İş Portföy Yönetimi A.Ş.	172	725
Kültür Yayınları İş-Türk Ltd. Şti.	65	-
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	-	40
	1,722,370	771,581

(1) Consists of the purchases of soda ash from Solvay Sodi AD.

(2) Amount consists of the expenses related with purchase of glass raw materials (sand).

(3) It consists of management and operating expenses of Tuzla Şişecam Headquarters and İş Kuleleri.

(4) This account consists of the lease payments for office spaces in İş Kuleleri and Paşabahçe stores.

	1 January- 30 September 2023	1 January- 30 September 2022
Benefits provided to key management		
Parent (Holding)	250,101	59,905
Consolidated entities	203,965	117,674
	454,066	177,579

Key management personnel are composed of top management, members of board of directors, senior executives (president and members and coordinator) reporting to the company's board of directors, general manager, general manager assistants, coordinator of general management and factory directors.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

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29. Financial Instruments and Financial Risk Management

a) Capital Risk Management

The Group manages its capital to ensure that it will maintain its status as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings and other debts disclosed in Notes 8 and 20, cash and cash equivalents disclosed in Note 5.

The management of the Group considers the cost of capital and the risks associated with each class of capital. The management of the Group aims to balance its overall capital structure through the payment of dividends, new share issues and the issue of new debt or the redemption of existing debt.

The Group controls its capital using the net debt / total equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total liability (comprises of financial liabilities, leasing and trade payables as presented in the statement of financial position) less cash and cash equivalents.

As of 30 September 2023, and 31 December 2022 the Group's net debt / total equity ratios are as follows:

	30 September 2023	31 December 2022
Financial liabilities and trade payables	89,721,860	58,243,303
Less: cash and cash equivalents and financial investments	(41,720,348)	(29,873,976)
Net debt	48,001,512	28,369,327
Total equity	117,053,012	95,127,767
Net debt / total equity ratio	41%	30%

The Group's general strategy is in line with prior periods.

b) Financial Risk Factors

The Group's activities expose it to various financial risks, market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk, The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects over the Group's financial performance.

The Group manages its financial instruments centrally in accordance with the Group's risk policies via Accounting Department. The Group's cash inflows and outflows are monitored by the reports prepared on a daily, weekly and monthly basis and compared to the monthly and yearly cash flow budgets.

Risk management is carried out by the Risk Management Department under the policies approved by the Board of Directors. The Group's Risk Management Department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board of Directors sets out written principles for overall risk management as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

b.1) Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations. The Group's management mitigates this risk through limitations on the contracts made with counterparties and obtaining sufficient collaterals where appropriate. The Group's credit risks mainly arise from its trade receivables. The Group manages this risk by the credit limits up to the guarantees received from customers. Use of credit limits is monitored by the Group by taking into consideration the customer's financial position, past experiences and other factors and customer's credibility is evaluated on a consistent basis. Trade receivables are evaluated based on the Group's policies and procedures and presented net in the financial statements after the provision for doubtful receivables is made.

Trade receivables consist of many customers operating in various industries and locations. Credit risk of the receivables from counterparties is evaluated.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

29. Financial Instruments and Financial Risk Management (continued)

b) Financial Risk Factors (Continued)
b.1) Credit Risk Management (Continued)

	Receivables				Cash and Cash equivalents & Derivatives	Financial Investments & Derivatives
	Trade Receivables		Other Receivables			
	Related Party	Third Party	Related Party	Third Party		
Credit risks exposed through types of financial instruments						
Maximum credit risk exposed as of 30 September 2023 (*) (A+B+C+D+E)	105,961	26,051,441	352,346	1,576,564	31,321,279	12,620,646
– The part of maximum risk under guarantee with collaterals etc.	-	(11,714,906)	-	-	-	-
A. Net book value of financial assets that are neither overdue not impaired	105,961	23,304,855	352,346	1,576,564	31,321,279	12,620,646
– The part under guarantee with collaterals. etc.	-	(10,587,071)	-	-	-	-
B. Net book of financial assets that are renegotiated, if not that will be accepted as overdue or impaired	-	-	-	-	-	-
– The part under guarantee with collaterals. etc.	-	-	-	-	-	-
C. Carrying value of financial assets that are overdue but not impaired	-	2,746,586	-	-	-	-
– The part under guarantee with collaterals. etc.	-	(1,127,835)	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
– Overdue (gross carrying amount)	-	-	-	-	-	-
– Impairment (-)	-	-	-	-	-	-
– The part under guarantee with collaterals. etc.	-	-	-	-	-	-
– Not overdue (gross carrying amount)	-	-	-	1,620	25,263	38,574
– Impairment (-)	-	-	-	(1,620)	(25,263)	(38,574)
– The part under guarantee with collaterals. etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

(*) Factors that increase the credit reliability such as guarantees received are not considered in the calculation.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

29. Financial Instruments and Financial Risk Management (continued)

b) Financial Risk Factors (Continued)
b,1) Credit Risk Management (Continued)

	Receivables				Cash and Cash equivalents & Derivatives	Financial Investments & Derivatives
	Trade Receivables		Other Receivables			
	Related Party	Third Party	Related Party	Third Party		
Credit risks exposed through types of financial instruments						
Maximum credit risk exposed as of 31 December 2022 (*) (A+B+C+D+E)	63,234	19,777,198	-	553,386	25,244,811	6,729,062
– The part of maximum risk under guarantee with collaterals etc.	-	(8,264,968)	-	-	-	-
A. Net book value of financial assets that are neither overdue not impaired	63,234	17,843,055	-	553,386	25,244,811	6,729,062
– The part under guarantee with collaterals. etc.	-	(7,547,265)	-	-	-	-
B. Net book of financial assets that are renegotiated, if not that will be accepted as overdue or impaired	-	-	-	-	-	-
– The part under guarantee with collaterals. etc.	-	-	-	-	-	-
C. Carrying value of financial assets that are overdue but not impaired	-	1,934,143	-	-	-	-
– The part under guarantee with collaterals. etc.	-	(717,703)	-	-	-	-
D. Net book value of impaired assets-	-	-	-	-	-	-
– Overdue (gross carrying amount)	-	-	-	-	-	-
– Impairment (-)	-	-	-	-	-	-
– The part under guarantee with collaterals. etc.	-	-	-	-	-	-
– Not overdue (gross carrying amount)	-	-	-	1,503	46,589	46,280
– Impairment (-)	-	-	-	(1,503)	(46,589)	(46,280)
– The part under guarantee with collaterals. etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

(*) Factors that increase the credit reliability such as guarantees received are not considered in the calculation.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

29. Financial Instruments and Financial Risk Management (continued)

b) Financial Risk Factors (Continued)

b.1) Credit Risk Management (Continued)

Guarantees received from the customers are as follows:

	30 September 2023	31 December 2022
Credit Insurance	6,995,546	4,662,412
Letters of guarantees	2,623,961	2,343,045
Direct debit system	1,691,770	1,069,781
Cash	1,000	1,347
Mortgages	229,674	91,003
Confirmed Letter of Credit	22,454	13,336
Promissory notes and bills	150,501	84,044
	11,714,906	8,264,968

Collaterals for the trade receivables that are overdue but not impaired are as stated below:

	30 September 2023	31 December 2022
1-30 days overdue	1,588,547	1,402,023
1-3 months overdue	600,144	321,996
3-12 months overdue	458,392	139,330
1-5 years overdue	99,503	70,794
Total overdue receivables	2,746,586	1,934,143
Secured with collaterals (-)	(1,127,835)	(717,703)

b.2) Liquidity Risk Management

The Group manages liquidity risk by providing the continuity of sufficient funds and loan reserves by matching the maturities of financial assets and liabilities and by following cash flows regularly.

Liquidity risk

Conservative liquidity risk management requires maintaining adequate reserves in addition to having the ability to utilize adequate level of credit lines and funds as well as closing market positions.

Funding risk attributable to the current and future potential borrowing needs is managed by providing continuous access to an adequate number of high-quality creditors.

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

29. Financial Instruments and Financial Risk Management (Continued)

b) Financial Risk Factors (Continued)

b.2) Liquidity Risk Management (Continued)

Liquidity risk tables (Continued)

The following table details the Group's expected maturity for its financial liabilities. The tables below have been prepared based on the undiscounted contractual maturities and the earliest date of payment of the financial liability. The amount of interest payable to be paid on aforementioned liabilities are considered in the table.

<u>30 September 2023</u>						
Non derivative financial Liabilities	Carrying value	Total Contractual Cash flows (I+II+III+IV)	Less than 3 Months (I)	3–12 Months (II)	1–5 Years (III)	More than 5 Years (IV)
Bank loans	48,288,029	51,329,401	11,350,185	16,669,546	23,259,069	50,601
Bonds issued	25,664,599	31,010,077	2,265,717	7,544,748	21,199,612	-
Lease liabilities	3,074,862	3,336,094	202,105	555,517	1,429,504	1,148,968
Trade payables	12,271,019	12,369,048	12,218,429	150,619	-	-
Due to related parties	472,477	472,477	472,477	-	-	-
Other payables	900,893	900,893	897,174	-	3,719	-
Total liabilities	90,671,879	99,417,990	27,406,087	24,920,430	45,891,904	1,199,569

Derivative financial liabilities	Carrying Value	Total Contractual Cash flows (I+II+III+IV)	Less than 3 Months (I)	3–12 Months (II)	1–5 Years (III)	More than 5 Years (IV)
Cash inflows	2,221,577	9,107,169	130,671	946,250	8,030,248	-
Cash outflows	(892,281)	(7,944,910)	(147,009)	(952,856)	(6,845,045)	-
	1,329,296	1,162,259	(16,338)	(6,606)	1,185,203	-

<u>31 December 2022</u>						
Non derivative financial Liabilities	Carrying value	Total Contractual Cash flows (I+II+III+IV)	Less than 3 Months (I)	3–12 Months (II)	1–5 Years (III)	More than 5 Years (IV)
Bank loans	25,907,932	30,489,978	1,962,010	13,046,011	15,207,295	274,662
Bonds issued	19,550,649	24,381,682	8,535,346	455,656	15,390,680	-
Lease liabilities	1,453,655	1,532,186	47,521	364,034	634,971	485,660
Trade payables	11,114,704	11,147,004	11,055,621	91,383	-	-
Due to related parties	264,959	264,959	264,959	-	-	-
Other payables	610,496	610,496	605,382	-	5,114	-
Total liabilities	58,902,395	68,426,305	22,470,839	13,957,084	31,238,060	760,322

Derivative financial liabilities	Carrying Value	Total Contractual Cash flows (I+II+III+IV)	Less than 3 Months (I)	3–12 Months (II)	1–5 Years (III)	More than 5 Years (IV)
Cash inflows	2,099,897	6,921,576	1,027,371	346,952	5,547,253	-
Cash outflows	(301,082)	(5,347,070)	(211,739)	(404,681)	(4,730,650)	-
	1,798,815	1,574,506	815,632	(57,729)	816,603	-

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29. Financial Instruments and Financial Risk Management (Continued)

b) Financial Risk Factors (Continued)

b.3) Market risk management

The Group is exposed to financial risks related to changes in foreign exchange and interest rates as a consequence of its operations. At the Group level market risk exposures are measured by sensitivity analysis. Comparing to previous year, there has been no change in the Group's exposure to market risks, hedging methods used or the measurement methods used for such risks.

b.3.1) Foreign currency risk management

Transactions in foreign currency cause the exchange rate risk to occur, The Group has adopted currencies different than the functional currencies according to the economies of the countries in which the subsidiaries and associates operate as foreign currencies.

The breakdown of the Group's foreign currency denominated monetary and non-monetary assets and liabilities as of the balance sheet date are as follows:

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

29. Financial Instruments and Financial Risk Management (Continued)

b) Financial Risk Factors (Continued)

b.3) Market risk management (Continued)

b.3.1) Foreign currency risk management (Continued)

	<u>Foreign Currency Position as of 30 September 2023</u>			
	TRY equivalent	USD	EUR	TRY Equivalent of other Currencies
1. Trade Receivables	4,913,286	92,015	74,712	225,300
2a. Monetary financial assets, (cash and banks included)	12,625,054	379,527	62,431	422,445
2b. Non-monetary financial assets	-	-	-	-
3. Other	514,255	3,256	14,345	8,699
4. Current assets (1+2+3)	18,052,595	474,798	151,488	656,444
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	953,923	34,820	23	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	2,480,682	20,267	64,962	39,956
8. Non-current assets (5+6+7)	3,434,605	55,087	64,985	39,956
9. Total Assets (4+8)	21,487,200	529,885	216,473	696,400
10. Trade payables	2,759,147	43,124	53,722	18,990
11. Financial liabilities	16,391,576	453,508	136,960	-
12a. Other monetary liabilities	513,011	12,568	5,544	8,004
12b. Other non-monetary liabilities	-	-	-	-
13. Current liabilities (10+11+12)	19,663,734	509,200	196,226	26,994
14. Trade payables	-	-	-	-
15. Financial liabilities	32,345,098	743,599	412,938	-
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	32,345,098	743,599	412,938	-
18. Total liabilities (13+17)	52,008,832	1,252,799	609,164	26,994
19. Net items of off balance sheet derivative asset/ (liability) position (19a - 19b)	38,698,436	1,157,235	241,717	-
19a. Total amount of assets hedged	45,514,457	1,157,235	476,505	-
19b. Total amount of liabilities hedged	6,816,021	-	234,788	-
20. Net foreign assets / (liability) position (9-18+19)	8,176,804	434,321	(150,974)	669,406
21. Net foreign currency asset / (liability) / (position of monetary items (=1+2a+5+6a -10-11-12a-14-15-16a)	(33,516,569)	(746,437)	(471,998)	620,751
22. Fair value of financial instruments used in foreign currency hedge	1,329,296	48,556	-	-
23. Export	18,088,484	364,469	387,675	661,106
24. Import	6,475,880	54,953	211,974	152,330

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

29. Financial Instruments and Financial Risk Management (Continued)

b) Financial Risk Factors (Continued)

b.3) Market risk management (Continued)

b.3.1) Foreign currency risk management (Continued)

	Foreign Currency Position as of 31 December 2022			
	TRY equivalent	USD	EUR	TRY Equivalent of other Currencies
1. Trade Receivables	4,916,645	116,011	129,741	161,052
2a. Monetary financial assets, (cash and banks included)	8,579,373	329,090	98,813	456,115
2b. Non-monetary financial assets	-	-	-	-
3. Other	325,424	3,995	11,864	14,212
4. Current assets (1+2+3)	13,821,442	449,096	240,418	631,379
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	823,579	44,021	23	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	885,572	8,661	34,524	35,401
8. Non-current assets (5+6+7)	1,709,151	52,682	34,547	35,401
9. Total Assets (4+8)	15,530,593	501,778	274,965	666,780
10. Trade payables	2,201,364	50,950	61,683	19,045
11. Financial liabilities	4,681,883	21,730	214,477	-
12a. Other monetary liabilities	360,788	11,732	5,488	32,005
12b. Other non-monetary liabilities	-	-	-	-
13. Current liabilities (10+11+12)	7,244,035	84,412	281,648	51,050
14. Trade payables	-	-	-	-
15. Financial liabilities	22,177,786	732,235	425,697	-
16a. Other monetary liabilities	195	1	9	-
16b. Other non-monetary liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	22,177,981	732,236	425,706	-
18. Total liabilities (13+17)	29,422,016	816,648	707,354	51,050
19. Net items of off balance sheet derivative asset/ (liability) position (19a - 19b)	9,541,100	590,000	(74,788)	-
19a. Total amount of assets hedged	14,221,581	590,000	160,000	-
19b. Total amount of liabilities hedged	4,680,481	-	234,788	-
20. Net foreign assets / (liability) position (9-18+19)	(4,350,323)	275,130	(507,177)	615,730
21. Net foreign currency asset / (liability) / (position of monetary items (=1+2a+5+6a -10-11-12a-14-15-16a)	(15,102,419)	(327,526)	(478,777)	566,117
22. Fair value of financial instruments used in foreign currency hedge	1,798,815	96,202	-	-
23. Export	18,344,288	607,504	460,906	254,731
24. Import	6,632,823	183,854	190,994	262,369

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

29. Financial Instruments and Financial Risk Management (Continued)

b) Financial Risk Factors (Continued)

b.3) Market risk management (Continued)

b.3.1) Foreign currency risk management (Continued)

The Group is mainly exposed to EUR and USD risks. Effects of other currencies are immaterial.

The table below represents the Group's sensitivity to a 10% deviation in foreign exchange rates (especially USD and EUR). 10% is the rate used by the Group while generating exchange rate risk reports; the related rate stands for the presumed possible change in the foreign currency rates by the Group's management. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. This analysis includes foreign currency denominated bank loans other than the functional currency of the ultimate user or borrower of the bank loans. The positive amount indicates increase in profit / loss before tax or equity.

Foreign Currency Sensitivity

	30 September 2023			
	Profit/(Loss)		Equity (*)	
	Foreign currency appreciation	Foreign currency devaluation	Foreign currency appreciation	Foreign currency devaluation
Change of USD against TRY by 10%				
1- USD net assets / liabilities	(2,043,498)	2,043,498	3,410,556	(3,410,556)
2- USD hedged from risks (-)	3,168,129	(3,168,129)	(2,168,879)	2,168,879
3- USD net effect (1+2)	1,124,631	(1,124,631)	1,241,677	(1,241,677)
Change of EUR against TRY by 10%				
4- EUR net assets / liabilities	(1,370,234)	1,370,234	6,096,383	(6,096,383)
5- EUR hedged from risks (-)	701,715	(701,715)	(1,383,317)	1,383,317
6- EUR net effect (4+5)	(668,519)	668,519	4,713,066	(4,713,066)
Change of other currencies against TRY by 10%				
7- Other currencies net assets / liabilities	62,075	(62,075)	1,613,761	(1,613,761)
8- Other currencies hedged from risks	-	-	-	-
9- Other currencies net effect (7+8)	62,075	(62,075)	1,613,761	(1,613,761)
Total (3+6+9)	518,187	(518,187)	7,568,504	(7,568,504)

(*) Presents the increase or decrease in total shareholders' equity due to 10% change in currency translation and net investment hedges to Turkish Lira of subsidiaries, associates and joint ventures operating outside of Turkey.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

29. Financial Instruments and Financial Risk Management (Continued)

b) Financial Risk Factors (Continued)

b.3) Market risk management (Continued)

b.3.1) Foreign currency risk management (Continued)

Foreign Currency Sensitivity (continued)

	31 December 2022			
	Profit/(Loss)		Equity (*)	
	Foreign currency appreciation	Foreign currency devaluation	Foreign currency appreciation	Foreign currency devaluation
Change of USD against TRY by 10%				
1- USD net assets / liabilities	(612,417)	612,417	2,335,412	(2,335,412)
2- USD hedged from risks (-)	1,103,200	(1,103,200)	-	-
3- USD net effect (1+2)	490,783	(490,783)	2,335,412	(2,335,412)
Change of EUR against TRY by 10%				
4- EUR net assets / liabilities	(954,436)	954,436	4,002,014	(4,002,014)
5- EUR hedged from risks (-)	(149,090)	149,090	-	-
6- EUR net effect (4+5)	(1,103,526)	1,103,526	4,002,014	(4,002,014)
Change of other currencies against TRY by 10%				
7- Other currencies net assets / liabilities	56,612	(56,612)	1,166,437	(1,166,437)
8- Other currencies hedged from risks	-	-	-	-
9- Other currencies net effect (7+8)	56,612	(56,612)	1,166,437	(1,166,437)
Total (3+6+9)	(556,131)	556,131	7,503,863	(7,503,863)

(*) Presents the increase or decrease in total shareholders' equity due to 10% change in currency translation to Turkish Lira of subsidiaries, associates and joint ventures operating outside of Turkey.

b.3.2) Interest rate risk management

The Group's exposure to interest rate risk is related to its financial liabilities. Based on the current balance sheet composition and analysis calculated by the Group, if the TRY interest rates were increased/decreased by 1% and foreign currency interest rates were increased/decreased by 0.25% with the assumption of keeping all other variables constant. The effect on net profit/loss for the period before taxation and non-controlling interest would decrease/increase by TRY 46,411 thousand as of 30 September 2023 (31 December 2022: TRY 49,053 thousand).

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30. Financial Instruments (Fair Value and Hedge Accounting Disclosures)

Categories of Financial Instruments

30 September 2023	Financial assets or liabilities measured with amortized cost method	Financial liabilities fair value through other comprehensive income	Financial assets or liabilities fair value through profit or loss	Book Value
Financial assets	60,363,561	1,287,274	8,800,838	70,451,673
Cash and cash equivalents	31,321,279	-	-	31,321,279
Trade receivables	26,051,441	-	-	26,051,441
Due from related parties	458,307	-	-	458,307
Derivative financial assets	-	1,270,669	950,908	2,221,577
Financial investments	2,532,534	16,605	7,849,930	10,399,069
Financial liabilities	89,770,986	876,450	15,831	90,663,267
Financial liabilities	77,027,490	-	-	77,027,490
Trade payables	12,271,019	-	-	12,271,019
Due to related parties	472,477	-	-	472,477
Derivative financial liabilities	-	876,450	15,831	892,281
31 December 2022	Financial assets or liabilities measured with amortized cost method	Financial liabilities fair value through other comprehensive income	Financial assets or liabilities fair value through profit or loss	Book Value
Financial assets	47,943,472	1,860,216	2,010,617	51,814,305
Cash and cash equivalents	25,244,811	-	-	25,244,811
Trade receivables	19,777,198	-	-	19,777,198
Due from related parties	63,234	-	-	63,234
Derivative financial assets	-	1,843,611	256,286	2,099,897
Financial investments	2,858,229	16,605	1,754,331	4,629,165
Financial liabilities	58,291,899	157,874	143,208	58,592,981
Financial liabilities	46,912,236	-	-	46,912,236
Trade payables	11,114,704	-	-	11,114,704
Due to related parties	264,959	-	-	264,959
Derivative financial liabilities	-	157,874	143,208	301,082

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

30. Financial Instruments (Fair Value and Hedge Accounting Disclosures) (Continued)

Fair Value of Financial Instruments

Financial assets	30 September 2023			
	Total	Category 1	Category 2	Category 3
Financial Assets at Fair value through other comprehensive income	16,605	-	-	16,605
Derivative financial assets	2,221,577	-	2,221,577	-
Total	2,238,182	-	2,221,577	16,605

Financial assets	31 December 2022			
	Total	Category 1	Category 2	Category 3
Financial Assets at Fair value through other comprehensive income	16,605	-	-	16,605
Derivative financial assets	2,099,897	-	2,099,897	-
Total	2,116,502	-	2,099,897	16,605

The classification of the Group's financial assets and liabilities at fair value is as follows:

- **Category 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Category 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (that is as prices) or indirectly (that is derived from prices).
- **Category 3:** Inputs for the asset or liability that is not based on observable market data (that is unobservable inputs).

31. Events After Reporting Period

- In the PDP statement dated October 04, 2023, was announced that within the issuance ceiling of 20.000.000.000-TL, the bond with a nominal value of TL 2,000,000,000 with a maturity of 734 days, which was offered for sale to qualified investors without being offered to the public via İş Yatırım Menkul Değerler A.Ş., was realized with a maturity start date of 4 October 2023 and maturity date 7 October 2025.
- In the PDP statement dated October 4 2023 was announced that the redemption payment of the Bill with the ISIN code TRFSISEE2314 and a nominal amount of TRY 270,000,000 with a maturity date of 04.10.2023 has been made.
- In the PDP statement dated October 12 2023 was announced that the redemption payment of the Bill with the ISIN code TRFSISEE2322 and a nominal amount of TRY 550,000,000 with a maturity date of 12.10.2023 has been made.
- In the PDP statement dated October 19 2023 was announced that 660,000 shares were bought-back from the TL 50.55 - TL 51.70 price range (average TL 51.18) and the number of SISE shares owned by our Company reached 47,038,946 (The ratio to the Company capital is %1.54).
- In the PDP statement dated October 20 2023 was announced that 600,000 shares were bought-back from the TL 49.30 - TL 50 price range (average TL 49.64) and the number of SISE shares owned by our Company reached 47,638,946 (The ratio to the Company capital is %1.56).
- The purchase transaction for the shares of Türkiye Şişe ve Cam Fabrikaları A.Ş., with a total nominal amount of 450,000 TL, was carried out by Efes Holding A.Ş. With this transaction, Efes Holding A.Ş. Its shares have reached the limit of 6,704% as of 20.10.2023

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31. Events After Reporting Period (Continued)

- In the PDP statement dated October 23 2023 was announced that Pursuant to the Letter of Intent signed and announced to public on June 6, 2023, negotiations with the Turkish technology company ICRON were concluded and Sisecam Investment B.V., a 100% subsidiary of our Company, was recommended to become a partner in ICRON with our Board of Director's resolution dated October 23, 2023. Within the framework of the resolution, a Share Purchase Agreement through Capital Increase has been signed by Sisecam Investment B.V. and ICRON on October 23, 2023. In accordance with the Share Purchase Agreement, Sisecam Investment B.V. will initially have 15.66% stake in ICRON, which will gradually increase to a final stake of 33.09% through incremental investments. The term of the agreement also includes a share purchase option right allowing Sisecam Investment B.V. to increase its stake up to 49% in ICRON in future. Realization of aforementioned partnership is subject to the approval of Turkish Competition Authority and the completion of other relevant closing conditions.
- In the PDP statement dated October 25 2023 was announced that the redemption payment of the Bill with the ISIN code TRFSISEE2330 and a nominal amount of TRY 450,000,000 with a maturity date of 25.10.2023 has been made.

32. Other Issues that Significantly Affect the Financial Statements or Other Issues, Required for the Clear Understanding of Financial Statements

Approval of Financial Statements

In accordance with the Capital Markets Board's (CMB) Communiqué No. II-14.1 on Principles Regarding Financial Reporting in the Capital Markets for the interim accounting period ending on September 30, 2023, our company, in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards (TMS/IFRS), CMB and Public Oversight Agency Condensed Consolidated statement of financial position, statement of profit or loss, statement of other comprehensive income, statement of cash flow and statement of changes in shareholders' equity (Financial Statements), along with their interim reviewed footnotes prepared in accordance with TAS 34 Interim Financial Reporting formats determined by POA, Audit Committee It has been examined taking into account the opinion of; that the aforementioned condensed consolidated financial statements reflect the actual situation of the operating results, that the accounting principles followed by our Company and the regulations of the Capital Markets Board are appropriate and correct, that the financial reports are signed electronically. It was decided at the meeting of the Board of Directors of the Company on 27 October 2023 to make the necessary notifications within the scope of the regulations.